Zhongke Group Holdings Limited
中科集團控股有限公司

(formerly known as Wai Hung Group Holdings Limited)
(incorporated in the Cayman Islands with limited liability)

Stock Code: 3321

2025/26

Annual Report

CONTENTS

CORPORATE INFORMATION

(As at the date of this report)

BOARD OF DIRECTORS

Executive Directors

Mr. Song Yanyang *(Vice Chairman) (appointed on 2 December 2025)*
Mr. Yau Yik Ming Leao *(Chief Executive Officer)*
Ms. Chen Jianyu *(appointed on 12 March 2025)*
Mr. Kwan Hung Chun Curtus *(appointed on 2 May 2025)*
Mr. Li Kam Hung *(suspension of duties)*
Mr. Yu Ming Ho *(suspension of duties)*
Mr. Au Chi Fung *(resigned on 16 July 2025)*
Ms. Bohra Shilpa Rajesh *(resigned on 12 March 2025)*
Mr. Loke Sebastian Mun Foo *(resigned on 2 April 2025)*
Dr. Chew Chee Wah *(resigned on 2 May 2025)*

Non-executive Director

Mr. Li Chun Ho *(Chairman)*

Independent Non-executive Directors

Mr. Tam Tsz Hin *(appointed on 16 July 2025)*
Mr. Yu Kwan Tseung, Alvin *(appointed on 16 July 2025)*
Mr. Yuan Fangjun *(appointed on 30 January 2026)*
Mr. Zhou Zhengcheng *(appointed on 30 January 2026)*
Mr. Koh Kwing Chang *(resigned on 2 June 2025)*
Mr. Lai Chi Leung *(resigned on 2 June 2025)*
Ms. Mak Wei Ting Josephine *(appointed on 12 March 2025 and resigned on 16 July 2025)*
Ms. Tung Ching *(appointed on 2 May 2025 and resigned on 31 October 2025)*
Mr. Ng Brian Hong Jing *(appointed on 2 May 2025 and resigned on 16 July 2025)*
Mr. Lum Pak Sum *(resigned on 2 May 2025)*

AUDIT COMMITTEE

Mr. Yu Kwan Tseung Alvin *(Chairman) (appointed on 16 July 2025)*
Mr. Tam Tsz Hin *(appointed on 16 July 2025)*
Mr. Yuan Fangjun *(appointed on 30 January 2026)*
Mr. Zhou Zhengcheng *(appointed on 30 January 2026)*
Mr. Lum Pak Sum *(resigned on 2 May 2025)*
Mr. Lai Chi Leung *(Chairman, resigned on 2 June 2025)*
Mr. Koh Kwing Chang *(resigned on 2 June 2025)*
Ms. Mak Wei Ting Josephine *(appointed on 2 May 2025 and resigned on 16 July 2025)*
Ms. Tung Ching *(appointed on 2 May 2025, redesignated as Chairlady on 2 June 2025, redesignated as member on 16 July 2025, and resigned on 31 October 2025)*
Mr. Ng Brian Hong Jing *(appointed on 2 May 2025 and resigned on 16 July 2025)*

REMUNERATION COMMITTEE

Mr. Tam Tsz Hin *(Chairman) (appointed on 16 July 2025)*
Mr. Yu Kwan Tseung Alvin *(appointed on 16 July 2025)*
Mr. Yuan Fangjun *(appointed on 30 January 2026)*
Mr. Zhou Zhengcheng *(appointed on 30 January 2026)*
Ms. Mak Wei Ting Josephine *(appointed on 2 June 2025 and resigned on 16 July 2025)*
Mr. Koh Kwing Chang *(Chairman, resigned on 2 June 2025)*
Mr. Lai Chi Leung *(resigned on 2 June 2025)*
Mr. Ng Brian Hong Jing *(appointed on 2 May 2025 and resigned on 16 July 2025)*
Ms. Tung Ching *(appointed on 2 May 2025, redesignated as Chairlady on 2 June 2025, redesignated as member on 16 July 2025, and resigned on 31 October 2025)*
Mr. Li Chun Ho *(resigned as member on 16 July 2025)*

NOMINATION COMMITTEE

Mr. Yuan Fangjun *(Chairman) (appointed on 30 January 2026)*
Mr. Yu Kwan Tseung Alvin *(appointed on 16 July 2025)*
Mr. Tam Tsz Hin *(appointed on 16 July 2025)*
Mr. Zhou Zhengcheng *(appointed on 30 January 2026)*
Ms. Chen Jianyu *(appointed on 30 January 2026)*
Ms. Mak Wei Ting Josephine *(Chairlady, appointed on 12 March 2025 and resigned on 16 July 2025)*
Mr. Koh Kwing Chang *(resigned on 2 June 2025)*
Mr. Lai Chi Leung *(resigned on 2 June 2025)*
Mr. Au Chi Fung *(appointed on 12 March 2025 and resigned on 16 July 2025)*
Ms. Tung Ching *(appointed on 12 March 2025, redesignated as Chairlady on 16 July 2025, and resigned on 31 October 2025)*

AUTHORISED REPRESENTATIVES

Mr. Kwan Hung Chun Curtus *(appointed on 16 July 2025)*
Mr. Chan Siu Kei Ken *(appointed on 3 November 2025)*
Mr. Au Chi Fung *(appointed on 2 May 2025 and resigned on 16 July 2025)*
Mr. Wong Sze Lok *(resigned on 3 November 2025)*

COMPANY SECRETARY

Mr. Chan Siu Kei Ken *(appointed on 3 November 2025)*
Mr. Wong Sze Lok *(resigned on 3 November 2025)*

AUDITOR

Prism Hong Kong Limited
Registered Public Interest Entity Auditor

CORPORATE INFORMATION

(As at the date of this report)

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MACAU

Alameda Dr. Carlos d' Assumpção
No. 258 Praca Kin Heng Long
16 Andar G–H, Macau

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 14B
Silver Loft
26 Cheung Lee Street
Chai Wan, 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 BANK

Luso International Banking Ltd.
The Macau Chinese Bank Limited

STOCK CODE

3321
(listed on the Main Board of The Stock Exchange of Hong Kong Limited)

WEBSITE

3321.hk

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the "**Board**") of Zhongke Group Holdings Limited (the "**Company**"), I am pleased to present the consolidated financial results of the Company and its subsidiaries (together, the "**Group**") in respect of the fifteen months ended 31 March 2026.

On 5 January 2026, the Company changed its financial year end date from 31 December to 31 March. As a result, the current reporting period covers 15 months, from 1 January 2025 to 31 March 2026 (referred to as the "**Reporting Period**").

It's important to note that the financial data presented here is being compared to the previous financial year 2024, which covered a year (i.e. 12-month period) ended 31 December 2024. When making year-on-year comparisons, the difference in duration between these two financial periods should be taken into account.

Our Group has established business relationship with major licensed casino gaming operators in Macau. Majority of our customers are group companies of the licensed casino gaming operators in Macau, and the shares of their respective holding companies are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). We believe that our experienced management team with profound industry knowledge, our ability to maintaining long-term business relationships with our major customers and a stable pool of suppliers and subcontractors have contributed to our success.

The strategy we aim to pursue in relation to our fitting-out business is to further strengthen our market position in the fitting-out industry in Macau include: (i) strengthening our financial position to undertake more sizeable fitting-out projects; (ii) diversifying our customer base; and (iii) strengthening our manpower.

The revenue increased by approximately MOP22.2 million or 252.3% from approximately MOP8.8 million for the year ended 31 December 2024 to approximately MOP31.0 million for the Reporting Period. Such increase was attributable to the commencement of the projects located in Hong Kong for the Reporting Period.

In response to the challenges faced by the Group in Macau, the Company is actively exploring and engaging in new projects located in Hong Kong. This strategic shift is part of a broader effort to diversify our operations and tap into new market opportunities, which are essential for stabilizing our financial position. The Board believes that by expanding our geographical focus and project portfolio, the Group can not only mitigate the impacts associated with the incident abovementioned but also enhance its overall financial health. This approach is intended to restore the Group's financial stability and pave the way for sustainable growth, we aim to capture emerging opportunities that can drive revenue and profitability soon.

I would like to take this opportunity to extend my sincere respect and gratitude to my fellow Board members, our management team, all our staff members, and business partners. Most importantly, I express my deepest appreciation to our shareholders and customers for their unwavering support during this challenging period. Your solidarity has been invaluable, and I am truly grateful for your continued trust and commitment.

Yours truly,

Li Chun Ho
Chairman

Hong Kong, 30 June 2026

BUSINESS REVIEW

Zhongke Group Holdings Limited primarily engages in the provision of fitting-out services and repair and maintenance services across Macau and Hong Kong. The Group's services have historically centered on commercial properties, particularly within integrated resorts in Macau, extending services to casinos, retail areas, hotels, and other commercial venues.

During the Reporting Period, the Group's performance was significantly impacted by incidents involving senior management, as detailed in the announcement of the Company dated 28 August 2024. These events led to challenges in securing new casino projects, a core area of our previous operations.

Despite these challenges, the Group currently has four projects in Hong Kong on hand with aggregate total contract sum of approximately HK$47 million. Additionally, the Group is finalising the terms and conditions with the contractor of a large-scale theme park project in Hong Kong ("**Park Project**") for a potential sub-contract co-operation in respect of the fitting-out parts of the Park Project, which the contract is expected to worth approximately HK$60 million. Should the Group secure this contract, the Park Project is expected to commence in 2026. The Company will continue to try its best endeavor to explore new business engagements to improve the business performance of the Group.

To address its financial situation, the Group has continued its negotiations with the banks and the creditors by means of in person meeting or telephone conference every two to three months to keep the banks updated on the current status of the Group's financial position and its fund raising plans, for the purpose of restructuring the Group's bank and other borrowings repayable on demand or within one year amounted to approximately MOP56,985,000 (the "**Outstanding Loans**") and with those in default and accrued interests. Specifically, The Group has been actively approaching a number of financial institutions and individual investor for fund raising opportunities with an aim to improve the financial position of the Group.

On 20 March 2026, a total of 121,116,000 Placing Shares were successfully allotted and issued to not less than six Placees. Details of the Placing are set out in the Company's announcements dated 3 March 2026 and 20 March 2026, and in the section headed "Fund raising activities" below.

The Group has adopted a more assertive approach to recover long outstanding trade receivables including appointment of debt collection agent, issue of demand note etc, with an aim to collect outstanding debt as much and as fast as practicable. Building on the above measures, the Group will also strictly control administrative costs through various channels including human resources optimization and capital expenditure control. This initiative is expected to reduce the cash outflows of the Group.

To better reflect our new business direction, the Board proposed to change the English name of the Company from "Wai Hung Group Holdings Limited" to "Zhongke Group Holdings Limited", and to adopt "中科集團控股有限公司" as the dual foreign name of the Company in replacement of its existing Chinese name "偉鴻集團控股有限公司" (the "**Change of Company Name**"). The Change of Company Name became effective on 26 February 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management's Position, View and Assessment on the Disclaimer of Opinion

In view of the uncertainties relating to going concern, the Directors have undertaken a number of plans and measures to improve the Group's liquidity and financial position, to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future including:

(i) Restructure of bank and other borrowings

As of 31 March 2026, the Group's bank and other borrowings repayable on demand or within one year, including those in default and accrued interests, amounted to approximately MOP56,985,000. The Group is in the progress of appointing a Macau lawyer to actively negotiating with the banks and the creditors to restructure these loans. The management is confident that the banks will consent to modifying the loan terms, thereby alleviating part of the Group's financial burden.

(ii) Collection of outstanding trade receivables

The Board is considering to adopt a more assertive approach to recover long-outstanding trade receivables. This includes measures such as filing statements of claims or winding-up petitions, subject to professional advice. These actions aim to expedite the recovery process and improve the Group's cash flow.

(iii) Cash inflow from operations

The Group is working to expand its operations in Hong Kong. The ultimate goal is to generate sufficient operating cash flow to reduce liabilities and support the Group's financial needs.

(iv) Fund raising activities

During the Reporting Period, the Company issued an aggregate of 121,116,000 new shares under the general mandate, generating net proceeds of approximately HK$4.61 million. These proceeds were subsequently utilised after the end of the Reporting Period for general working capital and the repayment of the Group's loans.

On 7 November 2025, the Company issued a promissory note of HK$10 million to Mr. Song Yanyang prior to his appointment as an Executive Director of the Company. These funds were utilized for general working capital and direct costs associated with generating revenue for the Group.

The Company continues to explore various avenues to raise funds to meet the needs of the Group. The Board believes that, taking into account the above plans and measures, the Group will have sufficient working capital to satisfy its present requirements soon.

The Company will continue to take proactive measures so to resolve its liquidity issue and will publish an appropriate announcement if there is any material development in accordance with the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PROSPECTS

For 2026, Zhongke Group Holdings Limited is focused on rebuilding and expanding its operations. The Group is actively working to regain trust and confidence from casino operators and is diversifying its efforts to include a broader range of construction and commercial projects both in Macau and Hong Kong. The Company is exploring the potential to acquire or operate a licensed company in Macau.

The Group is also committed to enhancing governance and operational transparency to rebuild stakeholder trust. With the global easing of travel and business restrictions, we anticipate increased activity in the hospitality and retail sectors, which will drive demand for our diversified services.

FINANCIAL REVIEW

For the Reporting Period, the Group's revenue was approximately MOP31.0 million (Year ended 31 December 2024: approximately MOP8.8 million). For the Reporting Period, the Group recorded loss of approximately MOP44.0 million (Year ended 31 December 2024: approximately MOP48.9 million). During the Reporting Period, the Group completed 2 construction projects in Hong Kong.

Revenue

The revenue increased by approximately MOP22.2 million or 252.3% from approximately MOP8.8 million for the year ended 31 December 2024 to approximately MOP31.0 million for the Reporting Period. Such increase was attributable to the commencement of the projects located in Hong Kong for the Reporting Period.

Direct costs

The total amount of subcontract costs increased by approximately MOP13.9 million or 102.0% from approximately MOP13.6 million for the year ended 31 December 2024 to approximately MOP27.5 million for the Reporting Period, which generally reflected the increase in costs associated with the increase in revenue.

Gross profit

The Group generated a gross profit of approximately MOP3.5 million for the Reporting Period, representing a significant turnaround from a gross loss of approximately MOP4.8 million for the year ended 31 December 2024. The Group recorded a gross profit margin of approximately 11.2% for the Reporting Period, compared to a gross loss margin of 54.1% for the previous year. The period-to-period improvement from a gross loss to a gross profit was mainly attributable to the comparatively higher gross profit margins of the contracts undertaken by the Group during the Reporting Period compared to the prior year.

Other income and other losses

Other losses for the Reporting Period were approximately MOP1.08 million (Year ended 31 December 2024: Nil) was mainly due to write off on property and equipment and there were no other income for the Reporting Period (Year ended 31 December 2024: MOP79,000).

Impairment losses

The total amount of impairment losses was approximately MOP16.07 million for the Reporting Period (Year ended 31 December 2024: MOP17.44 million), which generally reflected the decrease in impairment loss recognised in respect of trade receivables, other receivables, deposits and prepayment and contract assets.

Administrative expenses

Administrative expenses amounted to approximately MOP19.1 million and MOP23.6 million for the year ended 31 December 2024 and the Reporting Period, respectively, which accounted for approximately 216.5% and 76.1% of the total revenue during the respective periods. The largest item under administrative expenses was employee benefit expenses, being staff costs in nature, which amounted to approximately MOP7.9 million and MOP8.3 million for the year ended 31 December 2024 and the Reporting Period, respectively, which accounted for approximately 41.4% and 35.1% of the total administrative expenses during the respective periods.

The remaining balance of administrative expenses mainly consisted of office expenses, depreciation and general expenses.

Finance costs

For the year ended 31 December 2024 and the Reporting Period, finance costs amounted to approximately MOP7.7 million and MOP6.7 million, respectively.

Income tax expense

No income tax expenses for the Reporting Period (Year ended 31 December 2024: nil) since the Group incurred tax losses during the Reporting Period.

Loss for the year

For the Reporting Period, the loss amounted to approximately MOP44.0 million, representing an decrease of loss approximately MOP4.9 million from approximately MOP48.9 million for the year ended 31 December 2024.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity, Financial and Capital Resources

Cash position

As at 31 March 2026, the Group had an aggregate of pledged bank deposits and bank balances and cash of approximately MOP16.7 million (Year ended 31 December 2024: approximately MOP16.2 million), representing an increase of approximately 3.0% as compared to that as at 31 December 2024.

Borrowings and charges on the Group's assets

As at 31 March 2026, the Group had an aggregate of bank and other borrowings and bank overdrafts of approximately MOP82.7 million (Year ended 31 December 2024: approximately MOP57.6 million). MOP76.7 million of bank and other borrowings and bank overdrafts will be repayable within one year.

Gearing ratio

As at 31 March 2026, the gearing ratio (calculated by dividing total debts which include payables incurred not in the ordinary course of business excluding amounts are due to related parties with total equity as at the end of the respective period) was approximately –79.4% (Year ended 31 December 2024: approximately –90%).

Treasury policies

The Group has adopted a prudent treasury management policy to (i) manage the Group's funds ensuring that there is no material shortfall in cash which may cause interruption to the Group's obligations arising from daily business needs; (ii) maintain sufficient level of funds to settle the Group's commitment as and when they fall due; (iii) maintain adequate liquidity to cover the Group's operation cash flow, project expenditures and administrative expenses; and (iv) maintain the relevant financing costs at a reasonable level.

Currency risk

The group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies. The Group is exposed to currency risk primarily through sales proceeds received from customers that are denominated in a currency other than the group entities' functional currency. The currencies giving rise to this risk are primarily HK$.

The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Capital structure

Authorised share capital

As at 31 March 2026, the authorised share capital of the Company was HK$10,000,000 divided into 1,000,000,000 shares (the "**Shares**") of HK$0.01 each.

Fund raising activities

Save as the placing of new shares as disclosed below, there was no significant change in the Group's capital structure for the fifteen months ended 31 March 2026.

Capital commitments

As at 31 March 2026, the Group had no capital commitments (Year ended 31 December 2024: Nil).

Contingent liabilities

As at 31 March 2026, the Group had no significant contingent liabilities or outstanding litigation.

Material acquisitions and disposals

During the Reporting Period, the Group did not conduct any material acquisitions or disposals of subsidiaries and affiliated companies.

Significant investments held

As at 31 March 2026, the Group had no significant investments.

Future plans for material investments

During the Reporting Period, the Group did not have other plans for material investments and capital assets.

On 3 March 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 121,116,000 Placing Shares at the Placing Price of HK$0.039 per Placing Share to not less than six Placees who and whose ultimate beneficial owner(s) are Independent Third Parties. The Placing Price of HK$0.039 represents (i) a discount of 15.22% to the closing price of HK$0.046 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 18.75% to the average closing price of approximately HK$0.048 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

On 20 March 2026, an aggregate of 121,116,000 Placing Shares, representing (i) 20% of the existing issued share capital of the Company of 605,580,000 Shares as at the date of the Placing Agreement; and (ii) approximately 16.67% of the issued share capital of the Company of 726,696,000 Shares as enlarged by the allotment and issue of the Placing Shares, have been successfully placed to not less than six Placees. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, all of the Placees, being individual(s), corporation(s), institutional or other investors, and where appropriate, their respective ultimate beneficial owners are Independent Third Parties, and none of the Placees has become a substantial Shareholder upon the Completion. The net price per Placing Share was approximately HK$0.037. The gross proceeds from the Placing were approximately HK$4.72 million and the net proceeds were approximately HK$4.61 million. It was intended that the net proceeds from the Placing would be utilised for general working capital and repayment of loans of the Group.

Details of the Placing and Placing Agreement were set out in the Company's announcements dated 3 March 2026 and 20 March 2026.

As at 31 March 2026, none of the proceeds had been utilised. The proceeds have since been fully utilised as general working capital and repayment of loans of the Group as intended prior to the date of this report.

On 7 November 2025, the Company issued a promissory note of HK$10 million to Mr. Song Yanyang before his appointment as an Executive Director of the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2026, the Group had 12 employees (Year ended 31 December 2024: 20 employees). Total staff costs (including Directors' emoluments) were approximately MOP8.3 million for the Reporting Period, as compared with approximately MOP14.5 million for the year ended 31 December 2024. Such decrease was mainly attributable to the decrease in number of employees.

The remuneration packages the Group offered to its employees include salary and discretionary bonuses. In general, the Group determines employees' salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of determining salary raises, bonuses and promotions. The Group also operates the Share Option Scheme (defined hereafter), pursuant to which options to subscribe for Shares may be granted to the Directors and employees of the Group. The Group also provides various training to its employees and sponsors its employees to attend various training courses, such as those on occupational health and safety in relation to its work. Such training courses include its internal training as well as courses by external parties.

SHARE OPTION SCHEME

The principal terms of the Share Option Scheme were summarised in the Prospectus and this report. The purpose of the Share Option Scheme is to provide the Company a flexible means of giving incentive to, rewarding, remunerating, compensating and providing benefits to eligible participants as the Board approves from time to time. On 18 March 2019, a share option scheme (the "**Share Option Scheme**") was approved and adopted by the Shareholders, under which, options may be granted to any eligible persons (as defined in the Share Option Scheme) to subscribe for Shares subject to the terms and conditions stipulated in the Share Option Scheme. The Company has adopted the Share Option Scheme as an incentive to Directors and eligible employees.

EVENTS AFTER THE REPORTING PERIOD

(a) Redesignation of a Director

The Board of Directors announced that Mr. Song Yanyang, an executive director of the Company, has been redesignated as the vice chairman of the Board of the Company with effect from 1 April 2026.

(b) Share Consolidation

On 22 April 2026, the Company's shareholders passed an ordinary resolution at an extraordinary general meeting to approve a share consolidation, whereby every ten (10) existing shares of par value of HK$0.01 each in the share capital of the Company were consolidated into one (1) consolidated share of par value of HK$0.1 each, with effect from 24 April 2026. Prior to the consolidation, the issued share capital was 726,696,000 shares; after the consolidation, the issued share capital became 72,669,600 shares. Consequent to the share consolidation, the board lot size was adjusted from 2,500 shares to 10,000 shares, with effect from 11 May 2026.

(c) Issue of New Shares upon Exercise of Share Options

On 6 May 2026, share options granted under the Company's 2019 Share Option Scheme were exercised. The exercise price and the number of shares under outstanding options had been adjusted in connection with the share consolidation and in accordance with the share option scheme, resulting in the issue of 5,000,000 consolidated ordinary shares at HK$0.49 per share. Following this issue, the total issued share capital of the Company increased to 77,669,600 consolidated shares.

Save as disclosed above, there were no other material events after the reporting period since 1 April 2026.

DIVIDEND

The Board did not recommend the payment of a final dividend by the Company for the Reporting Period.

The Board may propose the payment of dividends, if any, on a per share basis, provided that the Group is profitable and without affecting the normal operations and business of the Group, the Board may consider declaring and paying dividends to the Shareholders by taking into account the following factors, among others, (i) the actual and expected financial performance of the Group; (ii) the general business conditions and strategies of the Group; (iii) the expected working capital requirements, capital expenditure requirements and future expansion plans of the Group; (iv) the retained earnings and distributable reserves of the Company and each of the other members of the Group; (v) the level of the Group's debts to equity ratio and return on equity as well as financial covenants to which the Group is subject; and (vi) any other factors that the Board may deem appropriate. Such declaration and payment of dividends by the Company shall remain to be determined at the sole discretion of the Board and subject to the requirements under all applicable laws, rules and regulations as well as the articles of association of the Company (the "**Articles of Association**"). Any future declarations and payments of dividends may or may not reflect the historical declarations and payments of dividends and will be at the absolute discretion of the Directors. Currently, the Company does not have any predetermined dividend payout ratio.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

None of the Company or any of its subsidiaries had purchased, sold or redeemed any of its listed securities (including sale of treasury share, if any) during the Reporting Period. As at 31 March 2026, the Company did not hold any treasury shares (as defined in the Listing Rules).

CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance to protect the interests of its Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions and, where applicable, the recommended best practices set out in the Corporate Governance Code ("**CG Code**") set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The Company has complied with the CG Code set out in Appendix C1 to the Listing Rules with the exception for deviations from Code Provision C.2.1 and B.3.5. Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. On 28 August 2024, the duties of Mr. Li Kam Hung were suspended, and Mr. Li Chun Ho was appointed as the Chairman of the Company. Subsequently, on 2 May 2025, the Company has rectified the deviation mentioned by the appointment of Mr. Yau Yik Ming Leao as the chief executive officer of the Company ("**CEO**"). Following the appointment of CEO, the Company has complied with the requirements under Code Provision C.2.1 since 2 May 2025.

Pursuant to B.3.5 of the CG Code, every listed issuer must appoint at least one director of a different gender to the nomination committee. Following the appointment of Ms. Chen Jianyu as a member of the Nomination Committee on 30 January 2026, the Company has complied with the requirement under Code Provision B.3.5 of the CG Code.

Non-compliance with the Listing Rules

As at the date of this report, the Company has complied with the Listing Rules. Following the resignation of Ms. Tung Ching as an independent non-executive Director on 31 October 2025, the chairlady of the nomination committee and a member of each of the audit committee and the remuneration committee of the Company, the Company is not in compliance with (i) Rule 3.10(1) and 3.10A of the Listing Rules and B.3.5 of the Corporate Governance Code; (ii) Rule 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive directors; and (iii) Rule 3.10A of the Listing Rules, every listed issuer must appoint INED representing at least one-third of the Board. Subsequently, following the appointment of Mr. Yuan Fangjun and Mr. Zhou Zhengcheng on 30 January 2026, the Company has re-complied with the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code throughout the Reporting Period.

BOARD OF DIRECTORS

Composition

The Directors who hold office during the Reporting Period and as at the date of this annual report are as follows:

Executive Directors

Mr. LI Kam Hung *(resigned as Chief Executive Officer on 2 May 2025)*
Mr. YU Ming Ho
Mr. YAU Yik Ming Leao *(appointed as Chief Executive Officer on 2 May 2025)*
Ms. CHEN Jianyu *(appointed on 12 March 2025)*
Mr. KWAN Hung Chun Curtus *(appointed on 2 May 2025)*
Ms. BOHRA Shilpa Rajesh *(resigned on 12 March 2025)*
Dr. CHEW Chee Wah *(resigned on 2 May 2025)*
Mr. LOKE Mun Foo Sebastian *(resigned on 2 April 2025)*
Mr. AU Chi Fung *(resigned on 16 July 2025)*
Mr. SONG Yanyang *(appointed on 2 December 2025 and re-designated as Vice Chairman on 1 April 2026)*

Non-executive Director

Mr. LI Chun Ho *(Chairman)*

Independent Non-executive Directors

Ms. TUNG Ching *(appointed on 2 May 2025 and resigned on 31 October 2025)*
Mr. TAM Tsz Hin *(appointed on 16 July 2025)*
Mr. YU Kwan Tseung, Alvin *(appointed on 16 July 2025)*
Mr. KOH Kwing Chang *(resigned on 2 June 2025)*
Mr. LAI Chi Leung *(resigned on 2 June 2025)*
Mr. LUM Pak Sum *(resigned on 2 May 2025)*
Ms. MAK Wei Ting Josephine *(appointed on 12 March 2025 and resigned on 16 July 2025)*
Mr. NG Hong Jing Brian *(appointed on 2 May 2025 and resigned on 16 July 2025)*
Mr. Yuan Fangjun *(appointed on 30 January 2026)*
Mr. Zhou Zhengcheng *(appointed on 30 January 2026)*

The biographical details of the Directors are set out in the section headed “Biographical Details of Directors and Senior Management” of this annual report. Save as disclosed therein, there is no relationship (whether financial, business, family or other material or relevant relationships) amongst members of the Board, senior management or substantial shareholder or controlling shareholder of the Company.

The composition of the Board is well balanced with each Director having extensive corporate and strategic planning experience, sound industry knowledge and/or professional expertise. All independent non-executive Directors have offered sufficient time and efforts to serve the business affairs of the Company. They also possess appropriate academic and professional qualifications and related management experience and have contributed to the Board with their professional opinion. The Board believes that the ratio among executive Directors, non-executive Directors and independent non-executive Directors is reasonable and appropriate. The Board also believes that the participation of independent non-executive Directors shall offer their independent judgment on issues relating to strategy, performance, conflict of interest and management process such that the interests of all Shareholders and the Group are considered and safeguarded.

Role and Function

The Board is fully responsible for the formulation of business policies and strategies in relation to the business operation of the Group and to ensure the availability of resources as well as the effectiveness of its system of internal control.

Implementation and execution of the policies and strategies formulated by the Board and the daily operations are delegated from the Board to the management of the Company. In addition, an audit committee (the "**Audit Committee**"), a remuneration committee (the "**Remuneration Committee**") and a nomination committee (the "**Nomination Committee**") were set up to assist the Board in fulfilling certain responsibilities. Further details of these committees are set out in the section headed "Board Committees" of this annual report.

Chairman and Chief Executive Officer

Since 2 May 2025, the Company has rectified the deviation mentioned by the appointment of Mr. Yau Yik Ming Leao as the CEO. Following the appointment of CEO, the Company has complied with the requirements under Code Provision C.2.1 since 2 May 2025.

Independence of Independent Non-Executive Directors

Pursuant to the requirement of Rule 3.10 of the Listing Rules, the Company has appointed four independent non-executive Directors, one of whom has appropriate professional qualification in accounting and financial management expertise. All independent non-executive Directors have confirmed their independence, as set out in Rule 3.13 of the Listing Rules, to the Company and the Board considers that all independent non-executive Directors have satisfied their independence of the Group.

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against Directors, officers and senior management of the Company arising out of corporate activities.

Board Meeting

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, in addition to the meetings for reviewing and approving the Group's annual and interim results. The Directors had participated in the Board meetings as indicated below. For those Directors who could not attend these meetings in person, they participated through electronic media.

The company secretary of the Company (the "**Company Secretary**") assists the Chairman to prepare the agenda of the meetings and each Director may request to include any relevant matters on the agenda. Generally, at least 14 days' notice is given for the regular meetings by the Company. All substantive agenda items have comprehensive briefing papers, which are, in general, circulated three days before convening each Board meeting.

All Directors are able to seek advice and services from the Company Secretary on the Board procedures and all applicable laws, rules and regulations, and corporate governance matters. Draft minutes of Board meetings and meetings of the Board committees are circulated to all Directors for comment and approval as soon as practicable after the meetings. Minutes of Board meetings and meetings of Board committee are kept by the Company Secretary and all Board members are given a copy of the minutes for their record. Should a matter being considered involve a potential conflict of interest of a Director, the Director involved in the transaction would be requested to leave the boardroom and abstain from voting. The matter would be discussed and resolved by other Directors. Policy is in place that Directors, upon reasonable request, may seek independent professional advice on issues related to the Group's business at the Company's expenses. The Company Secretary has complied with Rule 3.29 of the Listing Rules in relation to the professional training requirements.

COMPANY SECRETARY

The Company Secretary is appointed a representative from an external secretarial services provider as the Company Secretary. The primary contact person of the Company with the Company Secretary is Mr. Yau Yik Ming Leao, the executive Director and chief executive officer of the Company. The role of the Company Secretary is to ensure effective information flows and communication among Directors, as well as between shareholders and management of the Company. The Company Secretary is also responsible for advising the Board on governance matters. All Directors have access to the advice and services of the Company Secretary. During the Reporting Period, the Company Secretary has taken no less than 15 hours of relevant professional trainings to update his skills and knowledge.

During the Reporting Period, the attendance of the individual Directors at the meetings is set out below:

	Number of meetings attended/eligible to attend during the Reporting Period					
	Board	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**2026 AGM**	**2026 EGM**
Executive Directors						
Mr. LI Kam Hung *(resigned as Chief Executive Officer on 2 May 2025) (Suspension of Duties)*	–	N/A	N/A	N/A	–	–
Mr. YU Ming Ho *(Suspension of Duties)*	–	N/A	N/A	N/A	–	–
Mr. YAU Yik Ming Leao *(Chief Executive Officer on 2 May 2025)*	11	N/A	N/A	N/A	1	1
Ms. CHEN Jianyu *(appointed on 12 March 2025)*	11	N/A	N/A	3	1	1
Mr. KWAN Hung Chun Curtus *(appointed on 2 May 2025)*	–	N/A	N/A	N/A	1	1
Ms. BOHRA Shilpa Rajesh *(resigned on 12 March 2025)*	–	N/A	N/A	N/A	N/A	N/A
Dr. CHEW Chee Wah *(resigned on 2 May 2025)*	1	N/A	N/A	N/A	N/A	N/A
Mr. LOKE Mun Foo Sebastian *(resigned on 2 April 2025)*	1	N/A	N/A	N/A	N/A	N/A
Mr. AU Chi Fung *(resigned on 16 July 2025)*	3	N/A	N/A	2	N/A	N/A
Mr. SONG Yanyang *(appointed on 2 December 2025)*	4	N/A	N/A	N/A	1	1
Non-executive Director						
Mr. LI Chun Ho *(Chairman) (resigned as a member of the Remuneration Committee on 16 July 2025)*	11	N/A	1	N/A	1	1

	Board	Audit Committee	Remuneration Committee	Nomination Committee	2026 AGM	2026 EGM
	Number of meetings attended/eligible to attend during the Reporting Period					
Independent Non-executive Directors						
Ms. TUNG Ching *(appointed on 2 May 2025 and resigned on 31 October 2025)*	3	–	1	1	N/A	N/A
Mr. TAM Tsz Hin *(appointed on 16 July 2025)*	7	2	1	1	1	1
Mr. YU Kwan Tseung, Alvin *(appointed on 16 July 2025)*	7	2	1	1	1	1
Mr. KOH Kwing Chang *(resigned on 2 June 2025)*	3	–	1	1	N/A	N/A
Mr. LAI Chi Leung *(resigned on 2 June 2025)*	3	–	1	1	N/A	N/A
Mr. LUM Pak Sum *(resigned on 2 May 2025)*	1	–	1	1	N/A	N/A
Ms. MAK Wei Ting Josephine *(appointed on 12 March 2025 and resigned on 16 July 2025)*	2	–	1	1	N/A	N/A
Mr. NG Hong Jing Brian *(appointed on 2 May 2025 and resigned on 16 July 2025)*	2	–	1	1	N/A	N/A
Mr. Yuan Fangjun *(appointed on 30 January 2026)*	–	–	–	–	N/A	N/A
Mr. Zhou Zhengcheng *(appointed on 30 January 2026)*	–	–	–	–	N/A	N/A

DIRECTORS' TERMS OF APPOINTMENT

Directors are appointed for terms that range from one to two years and are subject to the requirement of retirement by rotation and re-election at the annual general meeting at least once every three years in accordance with the Articles of Association.

Pursuant to article 83(3) of the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Pursuant to article 84 of the Articles of Association, 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 shall be subject to retirement at an annual general meeting at least once every three years. Any Director appointed by the Board pursuant to article 83(3) of the Articles of Association shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

DIRECTORS' TRAINING

The CG Code provides that Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remain informed and relevant.

All Directors are encouraged to participate in continuous professional development activities by ways of attending training and/or reading materials relevant to the Company's business or to the Directors' duties and responsibilities. A summary of professional training received by Directors for the Reporting Period according to the records provided by the Directors is as follows:

	Attending seminar(s)/programme(s)/ conference(s) and/or reading materials relevant to the business or directors' duties
Mr. LI Kam Hung *(Suspension of Duties)*	✓
Mr. YU Ming Ho *(Suspension of Duties)*	✓
Mr. YAU Yik Ming Leao *(Chief Executive Officer on 2 May 2025)*	✓
Ms. CHEN Jianyu *(appointed on 12 March 2025)*	✓
Mr. KWAN Hung Chun Curtus *(appointed on 2 May 2025)*	✓
Mr. AU Chi Fung *(resigned on 16 July 2025)*	✓
Ms. BOHRA Shilpa Rajesh *(resigned on 12 March 2025)*	✓
Dr. CHEW Chee Wah *(resigned on 2 May 2025)*	✓
Mr. LOKE Mun Foo Sebastian *(resigned on 2 April 2025)*	✓
Mr. SONG Yanyang *(appointed on 2 December 2025)*	✓
Mr. LI Chun Ho	✓
Ms. TUNG Ching *(appointed on 2 May 2025 and resigned on 31 October 2025)*	✓
Mr. TAM Tsz Hin *(appointed on 16 July 2025)*	✓
Mr. YU Kwan Tseung, Alvin *(appointed on 16 July 2025)*	✓
Mr. KOH Kwing Chang *(resigned on 2 June 2025)*	✓
Mr. LAI Chi Leung *(resigned on 2 June 2025)*	✓
Mr. LUM Pak Sum *(resigned on 2 May 2025)*	✓
Ms. MAK Wei Ting Josephine *(appointed on 12 March 2025 and resigned on 16 July 2025)*	✓
Mr. NG Brian Hong Jing *(appointed on 2 May 2025 and resigned on 16 July 2025)*	✓

Pursuant to Rule 3.09D, each of the following Directors had obtained the legal advice referred to in Rule 3.09D on the following dates:

Executive Directors:	**Date**
Ms. CHEN Jianyu	12 March 2025
Mr. KWAN Hung Chun Curtus	2 May 2025
Mr. Song Yanyang	2 December 2025

Independent Non-executive Directors	**Date**
Mr. TAM Tsz Hin	16 July 2025
Ms. TUNG Ching	2 May 2025
Mr. YU Kwan Tseung Alvin	16 July 2025
Ms. MAK Wei Ting Josephine	12 March 2025
Mr. NG Brian Hong Jing	2 May 2025
Mr. Yuan Fangjun	30 January 2026
Mr. Zhou Zhengcheng	30 January 2026

Each of the above Directors has confirmed that he/she understood his/her obligations as a director of a listed issuer.

BOARD DIVERSITY POLICY

With the objective of enhancing the Board effectiveness and corporate governance, the Company recognises increasing diversity at Board level as an essential element in maintaining a competitive advantage. Selection of candidates will be based on a range of diversity perspectives, including but not limited to skills, knowledge, gender, age, ethnicity, cultural and educational background, and professional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Company's measurable objective is to maintain at least one Director of a different gender on the Board and to give due consideration to suitably qualified female candidates when identifying potential candidates for appointment to the Board. As at 31 March 2026 and the date of this report, the Board comprised ten male Directors and one female Director, and the Company had achieved its measurable objective.

During the Reporting Period, the Board reviewed the implementation of the Board Diversity Policy and considered that it had been properly implemented.

BOARD NOMINATION POLICY

The Nomination Committee shall consider a number of factors as a reference in assessing the suitability of a proposed candidate, including skills, knowledge, experience, qualification and professional expertise which are relevant to the operations. The candidate should be considered with due regard to the diversity perspectives set out in the board diversity policy of the Company. The candidate must also satisfy the requirement that he/she has the character, experience and integrity, and is able to demonstrate a standard of competence commensurate with the relevant position as a director of the Company. These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

BOARD COMMITTEES

The Board has established three committees, namely the Audit Committee, Remuneration Committee and Nomination Committee with specific terms of reference.

Audit Committee

The Board established its Audit Committee in March 2019 with specific written terms of reference setting out the Audit Committee's authority and duties.

As at the date of this report, the Audit Committee, comprising four independent non-executive Directors, namely Mr. Yu Kwan Tseung, Alvin (Chairman), Mr. Tam Tsz Hin, Mr. Yuan Fangjun and Mr. Zhou Zhengcheng, has reviewed with the Company's consolidated financial statements for the Reporting Period, for the fifteen months ended 31 March 2026, for the six months ended 30 June 2025 and for the year ended 31 December 2024, accounting principles and practices adopted by the Group and discussed internal controls, risk management and financial reporting matters including a review of the audited annual financial information.

Pursuant to the meeting of the Audit Committee, the Audit Committee reviewed, among other things, the audited financial statements for the Reporting Period with recommendations to the Board for approval and discussed with the management and the external auditor the accounting policies and practices which may affect the Group, the report prepared by the external auditor covering major findings in the course of the audit and the accounting and financial reporting matters.

During the Reporting Period, the Audit Committee held three meetings.

The annual results for the Reporting Period have been reviewed by the Audit Committee before submission to the Board for approval.

Remuneration Committee

The Remuneration Committee was established with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration for the Directors and senior management and make recommendations on the remuneration packages of individual Directors and senior management and on other employee benefit arrangements.

As at the date of this report, the Remuneration Committee consists of four independent non-executive Directors, namely Mr. Tam Tsz Hin (currently serves as the chairman of the Remuneration Committee), Mr. Yu Kwan Tseung, Alvin, Mr. Yuan Fangjun and Mr. Zhou Zhengcheng.

During the Reporting Period, the Remuneration Committee held four meetings. During the Reporting Period, the Remuneration Committee recommended to the Board on the remuneration package regarding the newly appointed Directors and considered and reviewed the existing Directors' remuneration. The remuneration for the Directors and senior management comprises basic salary, retirement benefits and discretionary bonus. Details of the amount of emoluments of Directors paid for the Reporting Period are set out in note 6 to the financial statements.

During the Reporting Period, the Remuneration Committee reviewed and approved the grant of 50,000,000 share options to certain Directors, the Chief Financial Officer and other employees of the Group. Details of the material matters reviewed, including the performance targets and clawback arrangements and the factors considered by the Remuneration Committee, are set out in the section headed "Share Option Scheme" in the Report of the Directors on pages 53 to 55 of this annual report.

Nomination Committee

The Nomination Committee was established with written terms of reference in compliance with the CG Code. The primary duties of the Nomination Committee are to make recommendations to the Board on appointments of the Directors, to assess the independence of the independent non-executive Directors, to take up references and to consider related matters.

As at the date of this report, the Nomination Committee consists of four independent non-executive Directors, namely Mr. Yuan Fangjun (Chairman), Mr. Tam Tsz Hin, Mr. Yu Kwan Tseung, Alvin and Mr. Zhou Zhengcheng and one executive Director, Ms. Chen Jianyu.

The Nomination Committee carries out the process of selecting and recommending candidates for directorships by making reference to the balance of expertise, skills, experience, professional knowledge, personal integrity and time commitments of such individuals, the requirements of the business of the Group and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process when necessary. Further, pursuant to the terms of reference of the Nomination Committee, the Nomination Committee, when reviewing the composition of the Board, will have regard to the diversity of the Board, which includes gender, age, cultural and educational background, length of service, skills, knowledge and professional experience of the Board. The Company recognises and embraces the benefits of diversity of Board members.

During the Reporting Period, the Nomination Committee held four meetings. During the Reporting Period, the Nomination Committee reviewed the existing structure, size, composition and diversity of the Board; assessed the independence of the independent non-executive Directors and reviewing the independent non-executive Directors' annual confirmations on their independence; and made recommendation to the Board on the re-election of Directors at the annual general meeting.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties set out in code provision A.2.1 of the CG Code, namely: (i) to develop and review the Company's policies and practices on corporate governance; (ii) to review and monitor the training and continuous professional development of Directors and senior management; (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (iv) to develop, review and monitor the code of conduct and compliance manual (including in relation to securities trading) applicable to employees and Directors; and (v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report in the Company's annual report.

The Board held seven meetings during the Reporting Period, at which the Board reviewed the Company's policies and practices on corporate governance and legal and regulatory compliance, training and continuous professional development participations of the Directors, as well as the Company's compliance with the CG Code.

The Board acknowledges its responsibility in maintaining a sound and effective internal control and risk management systems for the Group to safeguard Shareholders' investments and assets of the Company at all times.

The Company has established mechanisms to ensure that independent views and input are available to the Board, including access by all Directors to the Company Secretary, management and independent professional advice at the Company's expense where appropriate. During the Reporting Period, the Board reviewed the implementation and effectiveness of such mechanisms and considered them effective.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group did not establish an internal audit function during the Reporting Period. Given the Group's simple operating structure, the Board is directly responsible for the establishment, maintenance and review of the Group's system of internal controls and risk management throughout the Reporting Period and their effectiveness. The Audit Committee and the Board, have considered the internal control review report prepared by an independent consultancy company and communications with the Company's external auditor in respect of any material control deficiencies identified during the course of the financial statement audit to form the basis to review the adequacy and effectiveness of the Group's risk management and internal control systems. The Audit Committee and the Board will continue to review the need for an internal audit function on an annual basis.

During the Reporting Period and up to the date of this annual report, the Board and the Audit Committee reviewed the Group's financial reporting procedures, audit planning process, ESG reporting timetable, cash flow planning for reporting-related expenses and the escalation mechanism for unresolved audit issues.

The Board noted that the Company had experienced delays in the publication of its annual results and annual report for the previous financial year and in laying its annual financial statements before shareholders at the annual general meeting. The Board and the Audit Committee considered that such delay was mainly attributable to, among other things, insufficient early audit planning for third-party confirmations and valuation reports, late engagement of the ESG consultant, delay in finalisation of the annual report production timetable and deficiencies in cash flow planning for professional and printing fees.

In response, the Company has implemented and/or is implementing the following remedial measures:

(i) the Company has established an annual reporting timetable covering audit planning, audit fieldwork, third-party confirmations, valuation reports, ESG reporting, annual report printing and publication deadlines, which will be reviewed by the Audit Committee on a regular basis;

(ii) the management is required to agree with the auditor on the audit timetable, audit approach and list of required supporting documents before commencement of the annual audit, and to provide the Audit Committee with regular progress reports;

(iii) any material unresolved audit matter, including outstanding bank confirmations, customer and supplier confirmations, valuation reports or other third-party documents, shall be escalated to the Audit Committee in a timely manner, and where necessary, an Audit Committee meeting shall be convened to monitor and facilitate resolution of such matter;

(iv) the Company has designated responsible personnel to coordinate with the auditor, valuer, ESG consultant, printer and other professional parties, and has implemented a backup arrangement to ensure continuity of the reporting process when key personnel are unavailable;

(v) the Company has enhanced its cash flow planning procedures to reserve sufficient funds for audit, ESG reporting, printing and other financial reporting expenses, and the payment status of such expenses will be monitored by the management and reported to the Audit Committee; and

(vi) the Company has reviewed the adequacy of resources, qualifications and experience of staff responsible for accounting, financial reporting and regulatory compliance, and will provide additional training and external professional support where necessary.

The Audit Committee has reviewed the above remedial measures and will continue to monitor their implementation. The Board considers that the above measures are necessary and appropriate to address the identified deficiencies in the Group's financial reporting and internal control procedures. The Company will continue to review and enhance its risk management and internal control systems on an ongoing basis.

The Board wishes to emphasise that risk management and internal control systems are designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group strictly follows the requirements of the Securities and Futures Ordinance of Hong Kong (Cap.571 of the Laws of Hong Kong, the "**SFO**") and the Listing Rules and ensures that inside information is disclosed to the public as soon as reasonably practicable unless the information falls within any of the safe harbours of the SFO. Before inside information is fully disclosed to the public, such information is kept strictly confidential. In addition, the Group adopted the policy of disclosing relevant information only to appropriate staff within the Group.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Company for the Reporting Period and ensure that they are prepared in accordance with the statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the consolidated financial statements.

The statement of the external auditor of the Company with regard to their reporting responsibilities on the Company's consolidated financial statements, is set out in the Independent Auditor's Report on pages 60 to 61 of this annual report.

DISCLAIMER OF OPINION (THE "DISCLAIMER OF OPINION")

The Company's auditor, Prism Hong Kong Limited (the "**Auditor**") issued a disclaimer of opinion on the consolidated financial statements of the Group, details of which are set out in the independent auditor's report.

Basis for Disclaimer of Opinion

Multiple Uncertainties Relating to Going Concern

As described in the consolidated financial statements, the Group had a net loss of approximately MOP43,985,000 for the year ended 31 March 2026 and as at 31 March 2026, the Group's total borrowings amounted to approximately MOP82,681,000, of which current borrowings amounted to approximately MOP76,565,000, while its cash and cash equivalents amounted to approximately MOP1,323,000 and pledged bank deposits amounted to approximately MOP15,340,000. As at the date of this report, the Group defaulted on payment of certain bank borrowings, which also triggered cross-default of other bank borrowings, such that they will become due for immediate repayment. These conditions, together with other matters described in the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

The directors of the Company have been undertaking a number of measures to improve the Group's liquidity pressure and the financial position of the Group which are set out in the consolidated financial statements. The consolidated financial statements had been prepared by the directors of the Company on a going concern basis, the validity of which depends on the outcome of those plans and measures, which are subject to multiple uncertainties, including (i) the successful negotiations with the lenders for the renewal of extension for repayment of outstanding bank borrowings; (ii) the collection of outstanding trade receivables, other receivables, deposits and prepayments and contract assets balances; (iii) successfully expanding the Group's operations into Mainland China and diversifying into anti-counterfeit technology and generate sufficient cash flows from its operations. We are unable to determine whether the use of the going concern assumption in the preparation of the consolidated financial statements is appropriate.

Should the Group fail to achieve the abovementioned measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements.

The Management's Position, View and Assessment on the Disclaimer of Opinion

In view of the uncertainties relating to going concern, the Directors have undertaken a number of plans and measures to improve the Group's liquidity and financial position, to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future including:

(i) *Restructure of bank and other borrowings*

As of 31 March 2026, the Group's bank and other borrowings repayable on demand or within one year, including those in default and accrued interests, amounted to approximately MOP63,574,000. The Group is in the progress of appointing a Macau lawyer to actively negotiating with the banks and the creditors to restructure these loans. The management is confident that the banks will consent to modifying the loan terms, thereby alleviating part of the Group's financial burden.

(ii) *Collection of outstanding trade receivables*

The Board is considering to adopt a more assertive approach to recover long-outstanding trade receivables. This includes measures such as filing statements of claims or winding-up petitions, subject to professional advice. These actions aim to expedite the recovery process and improve the Group's cash flow.

(iii) *Cash inflow from operations*

The Group is working to expand its operations in Hong Kong. The ultimate goal is to generate sufficient operating cash flow to reduce liabilities and support the Group's financial needs.

(iv) *Fund raising activities*

During the Reporting Period, the Company issued an aggregate of 121,116,000 new shares under the general mandate, generating net proceeds of approximately HK$4.61 million. These proceeds were utilized for general working capital and the repayment of the Group's loans.

On 7 November 2025, the Company issued a promissory note of HK$10 million to Mr. Song Yanyang prior to his appointment as an Executive Director of the Company. These funds were utilized for general working capital and direct costs associated with generating revenue for the Group.

The Company continues to explore various avenues to raise funds to meet the needs of the Group. The Board believes that, taking into account the above plans and measures, the Group will have sufficient working capital to satisfy its present requirements soon.

The Company will continue to take proactive measures so to resolve its liquidity issue and will publish an appropriate announcement if there is any material development in accordance with the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The directors of the Company have reviewed the Group's cash flow projections prepared by the management. The cash flow projections cover a period of not less than 15 months from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

(a) the successful renewal and/or refinancing of its certain borrowings; and

(b) the successful and timely implementation of the plans to expand its operations into Hong Kong and control costs so as to generate adequate net cash inflows.

Should the Group failed to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

Audit Committee's View on the Disclaimer of Opinion

The Audit Committee had critically reviewed the Disclaimer of Opinion, the management's position concerning the Disclaimer of Opinion (the "**Management's Position**") and measures taken by the Group for addressing the Disclaimer of Opinion. The Audit Committee agreed with the Management's Position based on the reasons above. Moreover, the Audit Committee requested the management to take all necessary actions to address the uncertainties regarding going concern underlying the Disclaimer of Opinion that no such Disclaimer of Opinion will be made in the forthcoming audited financial statements. The Audit Committee had also discussed with the Auditor regarding the financial position of the Group, measures taken and to be taken by the Group, and considered the Auditor's rationale and understood their consideration in arriving their opinion.

The auditor's responsibilities are set out in the Independent Auditor's Report.

AUDITOR'S REMUNERATION

For the Reporting Period, services provided to the Company by its external auditor, Prism Hong Kong Limited, and the respective fees were:

	Fifteen months ended 31 March 2026 MOP'000
Audit services	**1,030**

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. Subject to provisions of the applicable laws in the Cayman Islands and Listing Rules, the Articles require that an annual general meeting (the "**AGM**") of the Company to be held each year and at the venue as determined by the Board. Each general meeting, other than an AGM, shall be called an extraordinary general meeting.

Pursuant to article 58 of the Articles of Association, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up share capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by depositing a written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders may at any time put forward their enquiries (including the procedures for putting forward proposals at general meetings of the Company) to the Board in writing through the Company Secretary whose contact details are as follows:

Zhongke Group Holdings Limited
Unit 14B, Silver Loft
No. 26 Cheung Lee Street
Chai Wan, Hong Kong

Tel No.: (852) 2560 5654
Fax No.: (852) 2568 8492

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS BY SHAREHOLDERS

Pursuant to article 85 of the Articles of Association, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Board established a Shareholders' communication policy to ensure that Shareholders and potential investors are provided with ready, equal and timely access to information of the Company.

The Company has maintained a corporate website at www.3321.hk through which the Company's updated financial information, business development, announcements, circulars, notices of meetings, press releases and contact details can be accessed by the Shareholders and investors.

The AGM also provides an important opportunity for constructive communication between the Board and Shareholders. The Chairman, members of the Board and external auditor attended the AGM on 6 February 2026 and extraordinary general meeting on 9 March 2026 to answer questions raised by the Shareholders.

During the Reporting Period, the Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy, having considered the communication channels maintained by the Company and the shareholder engagement conducted during the Reporting Period, and considered that the policy had been properly implemented and remained effective.

CONSTITUTIONAL DOCUMENTS

During the Reporting Period, there were no change in any of the Company's constitutional documents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ABOUT THIS REPORT

This Environmental, Social and Governance Report (the “**Report**”) presents the management approach, sustainability strategies, and environmental, social and governance (“**ESG**”) performance of Zhongke Group Holdings Limited and its subsidiaries (the “**Group**”). This ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the “**ESG Code**”) set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and complies with the “comply or explain” provisions set out therein.

REPORTING BOUNDARY

During the 15-month Reporting Period, the Group remained principally engaged in providing fitting-out services, and repair and maintenance services in Macau and Hong Kong. In addition, an interior design office situated in Zhuhai supported the operations. The reporting boundary encompasses these principal operations based on the Group’s operational control.

REPORTING PERIOD

Unless otherwise specified, this ESG Report covers the 15-month period commencing from 1 January 2025 to 31 March 2026 (the “**Reporting Period**”). This period aligns with the Group’s updated financial reporting period following the change of its financial year-end date from 31 December to 31 March.

REPORTING PRINCIPLE

Materiality

The scope of this ESG Report aligns with the Company’s 2025/2026 Annual Report, focusing on material issues across our operations in Macau and Hong Kong from 1 January 2025 to 31 March 2026.

Quantitative

We provide quantitative data to reflect our ESG performance. Due to limited access to certain historical records during the Reporting Period, we have used reasonable management estimates for selected data. Methodologies and assumptions are disclosed where applicable.

Balance

This ESG Report provides an unbiased view of our performance, transparently presenting both our progress and areas requiring governance and internal control enhancements.

Consistency

Because this report covers a 15-month transitional period and relies on estimated data for certain metrics, direct comparison with prior 12-month data may not be perfectly aligned. We will continue improving our data systems for future consistency.

ABOUT US

The Group is a contractor providing fitting-out, repair and maintenance services in Macau and Hong Kong. Our fitting-out services primarily cover refitting works for existing commercial properties, retail areas, hotels and residential properties.

Historically, the Group focused heavily on the commercial segment within integrated resorts and casinos in Macau, operating as both a main contractor and subcontractor. We established long-term business relationships with major licensed casino gaming operators in the region.

During the Reporting Period, the Group faced operational challenges that impacted our project portfolio in Macau. We have since shifted our focus and actively secured new fitting-out and maintenance projects in Hong Kong. We believe our experienced management team and our established network of suppliers and subcontractors remain core strengths as we continue exploring new business engagements to improve our overall performance.

STATEMENT OF THE BOARD OF DIRECTORS

Dear Stakeholders,

The Board of Directors (the "**Board**") holds overall responsibility for our ESG strategy, risk management, and reporting. Over the past 15-month Reporting Period, we faced significant operational and corporate governance challenges. In response, we prioritized rebuilding stakeholder trust by actively strengthening our internal controls, business ethics, and compliance frameworks. We recognize that robust corporate governance is the absolute foundation of sustainable business operations and long-term value creation.

To ensure effective governance, the Board oversees the process of identifying, evaluating, and managing material ESG issues that impact our business and stakeholders. We integrate these sustainability considerations directly into the strategic formulation of the Company. Furthermore, the Board regularly reviews the progress made against our ESG-related goals and targets to ensure they remain relevant to our evolving operational landscape.

As a responsible contractor, we are committed to minimizing the environmental impact of our fitting-out and maintenance projects. We promote practical green policies on-site to provide a safe and pleasant environment for our communities. Equally important is the well-being of our people. We place the highest priority on occupational health and safety to ensure a secure working environment for all direct employees and subcontractors. We will continue to support our workforce and nurture their potential as we navigate this transitional period.

The Board acknowledges its responsibility for ensuring the integrity of this ESG Report. To the best of our knowledge, this report addresses all relevant material issues and fairly presents the ESG performance and impacts of the Group. We are currently exploring new business engagements to stabilize and improve our overall performance, and we sincerely thank our employees, customers, partners, and shareholders for their continued patience and support.

The Board of Directors
Zhongke Group Holdings Limited

ESG GOVERNANCE STRUCTURE

The Board of Directors holds overall responsibility for the Group's ESG strategy, risk management, performance, and reporting. To drive our sustainability objectives, the Board continuously evaluates ESG-related risks, ensures the implementation of robust internal control systems, and actively supervises the execution of our corporate ESG initiatives.

At the operational level, the Board delegates execution duties to designated administrative and technical personnel. Our administrative staff coordinate the implementation of environmental, employment, and quality assurance policies. They are responsible for compiling the annual ESG report and periodically reporting performance metrics to the Board to assist in ongoing risk identification and strategic reviews.

Concurrently, our technical teams ensure the practical on-site implementation of all ESG and climate-related measures. They are tasked with refining data collection methodologies, monitoring key performance indicators, and enhancing internal communication to effectively track our progress against established sustainability targets.

To ensure effective oversight of evolving sustainability challenges, the Board regularly reviews its composition to maintain a diverse mix of skills and industry experience. Furthermore, Directors are provided with continuous professional development and regulatory updates to ensure they remain fully equipped to identify and manage emerging ESG and climate-related risks.

STAKEHOLDER ENGAGEMENT

Active stakeholder engagement is a crucial part of the Group's sustainability approach. To understand the needs of our stakeholders and ensure our business activities align with their interests, the Group maintains ongoing communication. We engage with employees, customers, suppliers, and shareholders through practical channels such as routine business meetings, performance appraisals, corporate websites, and annual general meetings. This continuous dialogue allows the Group to identify relevant expectations and integrate them into our strategic planning.

MATERIALITY ASSESSMENT

To align our sustainability efforts with business priorities, the Group conducted an internal materiality assessment during the Reporting Period. Management reviewed our business operations, evaluated regulatory obligations under the ESG Code, and considered feedback gathered through our routine stakeholder engagement channels. Based on this process, management validated and prioritized the final list of material ESG issues to define the focus of this report.

The following list summarizes the Group's material ESG issues and their relative importance:

Aspect	Materiality Topics	Importance
Environmental	1. Energy Consumption and Efficiency	Medium
	2. Greenhouse gas ("**GHG**") Emissions	Medium
	3. Site Waste and Effluent Management	Medium
	4. Noise and Dust Control Mitigation	Medium
	5. Climate Change	High

Aspect	Materiality Topics	Importance
Social	6. Employment and Equal Opportunities	High
	7. Occupational Health and Safety	High
	8. Staff Development and Training	High
	9. Labour Standards	Medium
	10. Supply Chain Management	Medium
	11. Quality and Safety of Project Services	High
	12. Customer Satisfaction and Communication	Medium
	13. Intellectual Property and Data Privacy	Low
	14. Community Investment and Engagement	Low
Governance	15. Prevention of Corruption and Fraud	High

During the Reporting Period, the Board confirmed that appropriate management policies and internal control systems for ESG issues were in place, taking into account the ongoing governance remediation efforts previously disclosed. The Board confirms the information disclosed in this report meets the requirements of the ESG Code.

ETHICS AND INTEGRITY

The Group strictly prohibits all forms of corruption, bribery, and extortion. To protect our reputation and maintain stakeholder confidence, we have adopted a "zero-tolerance" policy, committing to the highest ethical standards and full compliance with all relevant anti-corruption laws in our business dealings.

To foster a strong culture of corporate integrity, the Group ensures that all Directors and relevant staff are kept abreast of regulatory developments. During the Reporting Period, we provided anti-corruption training by circulating compliance guidelines and resources published by the Independent Commission Against Corruption (ICAC).

During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees that resulted in final convictions. As previously disclosed, regulatory investigations involving two suspended directors remained ongoing during the Reporting Period, and no charges had been laid against the relevant individuals as at the date of the underlying public announcement.

Fraud

The Group endeavours to operate in compliance with local regulations regarding fraudulent activities. We have established a corporate fraud policy to facilitate the development of controls that aid in the detection and prevention of fraud against the Group. Each member of the management team is expected to be familiar with the types of improprieties that might occur within their area of responsibility, and be alert for any indication of irregularity.

Any irregularity that is detected or suspected must be reported immediately to the chief executive officer, who will coordinate internal and external investigations with the audit committee of the Company (the "**Audit Committee**") and other implicated departments.

During the Reporting Period, the Group continued to review and strengthen its anti-corruption and internal control frameworks. In response to recent corporate governance challenges, management reinforced internal review procedures, tightened approval workflows, and emphasized the importance of business ethics and data integrity across all operating subsidiaries.

Anti-Money Laundering ("AML")

The Group recognises the importance of AML, complies with international and domestic laws, and implements appropriate policies. We stipulate the roles and internal controls within the group companies.

Given that directors of the Company (the "**Directors**") are responsible for directing the business effectively, they are obligated to ensure compliance with all relevant AML laws. A Director with reasonable care, skill and diligence must comply with relevant AML laws and address AML risks. One of the Directors or proper senior company personnel serves as the central reference point for suspicious transaction reporting.

The Group implements and maintains appropriate measures to conduct customer due diligence. We trains employees in matters related to AML so they can implement immediate and appropriate measures for customer due diligence. The Group also implements and maintains measures for handling suspicious transactions and will report suspicious transactions to relevant authorities immediately. We regularly review and improve the AML policy and internal controls based on the effectiveness of the measures.

Whistle-Blowing

The Group is committed to achieving and maintaining the highest standards of openness, integrity and accountability. Our whistle-blowing policy serves to increase awareness of maintaining internal corporate justice and it encourages all employees to report serious concerns about any suspected misconduct, malpractice or irregularity. Employees with legitimate concerns can raise the matter directly to the Chairman of the Audit Committee. The Chairman of the Audit Committee will review the complaint and decide how the investigation should proceed.

The Audit Committee has overall responsibility for the implementation, monitoring and periodic review of the whistle-blowing policy of the Group.

ENVIRONMENT

Corporate Environmental Policy and Compliance

The Group recognizes the importance of environmental sustainability in our daily operations and strives to conduct business activities in strict compliance with all applicable environmental laws and regulations. We have established comprehensive policies and procedures to manage resource consumption, including paper, fuel, electricity, and water, as well as the treatment of emissions and site waste.

Our site managers are responsible for implementing these policies to ensure all project sites and office locations comply with the relevant environmental regulations in their respective jurisdictions. During the Reporting Period, the Group fully complied with major environmental laws, including the Environmental Law and the Law on Prevention and Control of Environmental Noise in Macau, as well as the Air Pollution Control Ordinance, Noise Control Ordinance, and Waste Disposal Ordinance in Hong Kong.

Emissions Management

The Group aims to minimize energy consumption and carbon emissions by exploring operational models that reduce our environmental footprint. We integrate environmental considerations into every stage of our business processes, from project design and material procurement to on-site execution.

Given the nature of our fitting-out and maintenance services, our operations may involve the use of chemical substances and the generation of air pollutants, such as dust from structural works and exhaust gases from machinery. To protect our workforce and the surrounding communities, we enforce strict controls over dust, fumes, and air pollutants at all construction sites. Contractors and workers receive adequate training on environmental preservation and are provided with clear instructions regarding the proper operation and maintenance of equipment to ensure optimal on-site air quality.

Dust and Exhaust Control

We implement strict preventive and physical controls for all activities involving excavation or soil disturbance to minimize dust generation and prevent its release into the atmosphere. Regarding exhaust management, our primary source of recorded air pollutants stems entirely from the use of company-owned vehicles. For the purpose of this ESG Report, exhaust emission data is strictly limited to the fuel consumption of these company vehicles. We ensure that all company vehicles undergo regular maintenance and servicing to optimize fuel efficiency and keep exhaust emissions within standard regulatory specifications. During the Reporting Period, we monitored and recorded our vehicle exhaust emissions, including Sulphur Oxides (SO_x), Nitrogen Oxides (NO_x), and Particulate Matter (PM). A detailed summary of these vehicle emissions is presented in the data tables below:

Exhaust emission	**Unit**	**2025/2026[1]**	**2024**
SO_x	Kg	0.02	0.04
NO_x	Kg	0.76	0.48
PM	Kg	0.06	0.06
Total exhaust emission	**Kg**	**0.84**	**0.58**

1. Due to limited historical records, selected data was estimated based on past consumption trends. Furthermore, because the 2025/2026 Reporting Period covers a 15-month transitional period, direct comparisons with prior 12-month figures may not be perfectly aligned.

To effectively manage our carbon footprint, the Group implements practical energy-saving measures across our office operations. We enforce policies such as shutting down air-conditioning systems after hours, maintaining summer office temperatures at 25ºC, and prioritizing the use of energy-efficient LED lighting. To cultivate a culture of sustainability, we regularly issue internal environmental memorandums and display promotional notices to raise staff awareness regarding resource conservation.

Because our recorded emissions are primarily driven by vehicle usage and office equipment, our mitigation strategy is heavily focused on these areas. We integrate environmental considerations directly into our procurement process by prioritizing equipment with low emission profiles and utilizing low-sulphur vehicle fuels. Additionally, we conduct regular equipment inspections at the commencement of each construction project to ensure all machinery operates efficiently and without excessive emissions. During the Reporting Period, the Group did not encounter any material non-compliance issues related to emissions that would significantly impact the environment.

Waste Management

The Group adheres to strict waste management principles and strives to properly manage and dispose of all waste generated by our business activities. Our waste handling practices comply fully with all relevant environmental protection laws and regulations. Due to the nature of our operations, the Group did not generate any hazardous waste during the Reporting Period.

Our non-hazardous waste consists primarily of office paper and used toner cartridges. We actively promote paperless operations and responsible recycling to minimize our environmental impact. To continuously improve our waste management performance, management closely monitors the consumption of office paper, toner, and ink cartridges. Our offices are equipped with dedicated recycling facilities to encourage staff to properly sort waste, directly supporting our core objectives of reducing, reusing, and recycling. We maintain high standards in resource conservation by educating employees on the importance of sustainability and providing the practical support needed to integrate eco-friendly habits into their daily work routines.

During the Reporting Period, the non-hazardous waste generated by the Group is summarized in the data tables below:

Non-hazardous waste	Unit	2025/2026[1]	2024
Paper	Tonnes	1.43	1.10
Intensity[2]	Tonnes/employee	0.12	0.06
Toner cartridge	Pieces	4.99	3.84
Intensity[2]	Pieces/employee	0.42	0.19

2. Total employees during the Reporting Period: 12 (2024: 20). The data is also used for calculating other intensity data. Prior year data was restated after verification.

Use of Resources

Energy Consumption

The Group recognizes that the building materials used in our fitting-out projects directly impact both project quality and the surrounding environment. Therefore, we prioritize the procurement of eco-friendly indoor and outdoor building materials that conserve natural resources while delivering optimal environments for end-users. Where feasible, we prioritize sourcing materials locally to reduce the carbon footprint associated with transportation logistics.

Within our daily operations, our primary sources of energy consumption are purchased electricity for our offices and petrol for company vehicles. As detailed in our GHG Emission Management section, we have formulated comprehensive environmental policies to optimize energy use. Beyond our standard office energy-saving protocols, we actively encourage the use of telephone and video conferencing to minimize unnecessary business travel, thereby reducing our overall fuel consumption. We proactively foster a low-carbon corporate culture, continuously raising staff awareness regarding energy conservation.

During the Reporting Period, the Group's consumption are detailed below:

Energy Consumption	Unit	2025/2026[1]	2024[3]
Petrol	kWh	12,022.84	9,248.34
Electricity	kWh	23,571.00	18,131.50
Total	kWh	35,593.79	27,379.84
Intensity[2]	kWh/employee	2,966.15	1,368.99

3. Prior year petrol data was restated to reflect updated measurement units.

Water Consumption

Compared to the limited amount of domestic water consumed within our office operations, the Group's primary water usage occurs at our construction and fitting-out sites. This site water is utilized mainly for rinsing cement systems, cooling machinery, and cleaning ground surfaces, which subsequently generates muddy wastewater. During the Reporting Period, all operational sites utilized municipal water supplies, and the Group did not encounter any issues in sourcing water that is fit for purpose.

To responsibly manage our water resources, the Group implements strict preventive measures and monitors water consumption at all construction sites on a regular basis. We actively educate our site workers on water conservation practices to ensure efficient usage and minimize unnecessary wastage across all project locations.

Water Consumption	Unit	2025/2026[1]	2024
Water	m^3	18.73	14.41
Intensity[2]	m^3/employee	1.56	0.30

Use of Packaging Materials

The Group's core business operations comprise professional fitting-out, decoration, and repair and maintenance services. Given the service-oriented, non-manufacturing nature of our business, the Group does not produce physical retail products. Consequently, the Group does not consume packaging materials for finished products.

Environment and natural resources

Environmental Impact Management

The Group integrates environmental protection into its internal management and daily operations to achieve long-term sustainability. While our core fitting-out business does not operate within a pollution-intensive industry, we recognize that our construction processes can impact the environment through dust generation, exhaust emissions, and resource consumption.

To mitigate these impacts, we adopt a proactive, hierarchical approach: we prioritize avoiding waste generation at the source, maximizing resource reuse, and ensuring proper recycling before considering disposal. As detailed in the preceding sections, the Group has formulated comprehensive mud and waste residue disposal plans for our construction sites. Subcontractors are strictly required to classify waste and arrange for centralized transportation to prevent unauthorized dumping. We continuously monitor our operational sites and adopt green purchasing strategies, selecting the most practical technologies and eco-friendly materials to protect natural resources.

The Group regularly reviews its environmental policies to ensure all precautionary measures remain effective and fully compliant with statutory regulations. During the Reporting Period, the Group did not identify any material non-compliance with laws and regulations regarding the environment and natural resources.

Climate Change

The Group recognizes that the building and construction sector plays a critical role in addressing global climate change. As a provider of professional fitting-out and maintenance services, we are acutely aware that extreme weather and shifting regulatory landscapes directly impact our project delivery timelines, supply chain stability, and site safety. In accordance with the climate-related disclosure requirements under Part D of the HKEX ESG Reporting Code, the Group structures its climate response across four core pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

Governance

Climate-related oversight is fully integrated into the Group's overall ESG governance framework. The Board of Directors holds ultimate responsibility for evaluating how climate risks and opportunities affect the Group's strategic project planning and financial performance. The Board regularly reviews our sustainability objectives, monitors regulatory compliance, and assesses our resilience against climate-induced operational disruptions.

At the operational level, our designated administrative and technical personnel translate the Board's strategy into actionable protocols. Serving as our technical frontline, our project managers and site supervisors are directly responsible for monitoring day-to-day environmental performance, executing severe weather contingency plans, and ensuring that climate resilience and worker safety are seamlessly integrated into every stage of the construction and fitting-out process.

Strategy

The Group's climate strategy is tailored to the specific vulnerabilities of the fitting-out and building maintenance industry. Our primary focus is on ensuring the safety of our on-site workforce, preventing weather-related project delays, and securing the resilience of our building material supply chains. We assess climate risks and opportunities over the short term (1 to 5 years), medium term (5 to 10 years), and long term (over 10 years).

Given our business nature as a service-oriented contractor, and noting that Hong Kong does not currently impose a mandatory carbon tax or carbon emission cap on our sector, the Group has not yet implemented internal carbon pricing or climate-linked remuneration. Instead, our current strategy focuses on progressively enhancing project-level data collection to better evaluate the carbon footprint of our procurement choices and site operations.

Risk Management

The Group actively monitors regional regulatory developments, including the Hong Kong Climate Action Plan 2050 and Macau's ongoing environmental protection and decarbonization directives. By staying abreast of these regional policies, the Group is better positioned to anticipate tightening environmental regulations, shifts in building codes, and evolving client expectations for green building standards.

Climate-related risks are fully integrated into the Group's enterprise risk management framework and daily project planning. Given that our core business involves extensive on-site decoration, structural modifications, and outdoor maintenance, our operations are highly sensitive to extreme weather events. The Group mitigates these risks through rigorous site-safety protocols, proactive weather monitoring, and comprehensive contractors' all-risks insurance to cover potential material damage or project delays.

The Group's key climate-related risks, along with our industry-specific preparedness and mitigation measures, are summarized below:

Risk Type	Risk Description	Time Horizon	Financial Impact	Risk Responses & Mitigations
Physical Risk				
Acute	More frequent and severe events (e.g., super typhoons, black rainstorms)	Short to Medium Term	• Project delays • Liquidated damages • On-site material damage • Higher insurance premiums	• Prioritize worker safety via strict weather protocols • Proactively secure site materials • Build time buffers into project schedules
Chronic	Rising average temperatures and prolonged extreme heat during summer months	Medium to Long Term	• Reduced labor productivity • Increased health and safety risks such as heatstroke for on-site workers	• Enforce heat-stress protocols • Adjust work hours during extreme heat • Provide adequate rest breaks and cooling supplies
Transition Risk				
Market	Shifting client expectations toward low-carbon, sustainable building materials	Short to Medium Term	• Potential loss of competitiveness or tender opportunities with major property developers	• Expand our network of eco-friendly suppliers • Ensure readiness to meet green building standards
Compliance	Stricter environmental regulations, such as enhanced building codes or higher waste disposal fees	Short to Medium Term	• Increased operational and legal compliance costs	• Continuously monitor HK/Macau regulatory updates • Enhance site-level ESG data collection

Metrics and Targets

GHG Emissions

The Group continuously monitors its environmental performance to evaluate the effectiveness of its climate and sustainability strategies. We track key metrics across our operations, focusing on areas most relevant to the fitting-out industry. The detailed quantitative data for our greenhouse gas (GHG) emissions, energy usage, water consumption, and waste generation are presented in the data tables below.

GHG Emissions[4]	**Unit**	**2025/2026**	**2024**
Direct GHG emission (Scope 1)			
– petrol consumption (Motor vehicle)	Tonnes of CO_2-e	2.98	1.88
– gas consumption (Dormitory)	Tonnes of CO_2-e	0.07	0.07
Indirect GHG emission (Scope 2)[5]			
– electricity consumption	Tonnes of CO_2-e	14.01	9.59
Other indirect GHG emission (Scope 3)[6]			
– paper waste disposed at landfills	Tonnes of CO_2-e	6.88	5.28
– fresh water processing	Tonnes of CO_2-e	0.005	0.004
Total GHG emission	Tonnes of CO_2-e	23.95	16.82
Intensity[2]	Tonnes of CO_2-e/ employee	2.00	0.84

4. GHG emissions data are presented in tonnes of carbon dioxide equivalent and are based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard” issued by the World Resources Institute and the World Business Council for Sustainable Development, “How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by HKEX, and the Global Warming Potential values from the IPCC Sixth Assessment Report (AR6).

5. For electricity related emissions in Hong Kong and Macau, the grid emission factors adopted are sourced from the latest sustainability reports published by Hongkong Electric Investment Company Limited, and Companhia de Electricidade de Macau.

6. Emissions from the electricity used for fresh water processing in Hong Kong are calculated using factors from the Water Supplies Department’s latest sustainability reports. Prior year data was restated following verification.

Currently, the Group’s Scope 3 disclosures capture emissions associated with paper waste and fresh water processing. For broader Scope 3 value-chain emissions (such as those from external subcontractors and building materials), the Group adopts a phased approach due to the complexities of gathering reliable data from external parties. We will progressively enhance our data collection to align with evolving HKEX expectations.

Targets

Setting realistic and scientifically sound environmental targets requires a normalized, 12-month baseline of operational data. Because the current Reporting Period spans an extended 15-month timeframe, the aggregated consumption and emissions data cannot serve as an accurate or comparable baseline for future annual Reporting Periods.

Consequently, the Group has deferred the establishment of quantitative environmental targets for this Reporting Period. We will utilize the data from the upcoming standard 12-month financial year to establish a reliable baseline, after which we will formulate and disclose specific, measurable targets for emissions reduction, energy efficiency, water conservation, and waste management.

SOCIAL

Employment

Employee Benefits and Equal Opportunities Policies

Employees are regarded as the Group's most valuable assets and a key driver of its long-term development. The Group is committed to attracting and retaining talent by providing a fair, respectful and supportive working environment that promotes career development and personal growth.

The Group is committed to equal opportunity and diversity in employment, and does not discriminate on the basis of age, gender, family status, sexual orientation, disability, ethnicity or religion. Given the traditionally male-dominated nature of the construction industry, the Group will continue to promote gender diversity and seek to improve female representation in its workforce.

Employment Data		**2025/2026**			
		Macau	**Hong Kong**	**China**	**Total**
Number of employees					
Overall		2	7	3	12
Gender	male	1	5	1	7
	female	1	2	2	5
Type	full time	2	7	3	12
	part time	0	0	0	0
Category	administrative	1	2	1	4
	technical	1	5	2	8
Age	below 25	0	0	0	0
	25–29	0	0	0	0
	30–39	1	2	3	6
	40–49	1	2	0	3
	50–59	0	1	0	1
	60 or above	0	2	0	2

Turnover rate[7]		2025/2026
Gender	male	60%
	female	33%
Age	below 25	0%
	25–29	0%
	30–39	50%
	40–49	50%
	50–59	67%
	60 or above	40%
Geographical region	Macau	100%
	Hong Kong	44%
	China	0%

7. The employee turnover rate is calculated by dividing the number of employees who left the company by the average number of employees in a certain period in time.

The Group's staff handbook sets out policies relating to recruitment, promotion, discipline, diversity, equal opportunity, anti-discrimination, compensation and benefits, working hours and leave. These policies are implemented by the human resources department, which is also responsible for ensuring that employees understand the relevant staff requirements and standards.

The management regularly reviews the Group's remuneration and benefits policies with reference to market standards. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to employment and labour practices in Hong Kong (such as the Employment Ordinance), Macau, and Mainland China.

Health and Safety

Occupational Health and Safety

The Group places strong emphasis on occupational health and safety and is committed to providing a safe working environment for employees and subcontractors. The Group strictly abides by the relevant health and safety laws and regulations across all operating regions, including the Occupational Safety and Health Ordinance in Hong Kong, as well as applicable laws in Macau and Mainland China.

To manage workplace risks, the Group has established occupational health and safety manuals and site safety procedures covering worksite access, construction activities, risk prevention and emergency response. The Group maintains a safety management system for its Macau operations, conducts regular risk assessments and periodic reviews, and implements corrective measures where necessary to strengthen site safety performance.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to occupational health and safety.

Occupational safety and health data	2025/2026	2024	2023
Number of work-related fatalities	0	0	0
Rate of work-related fatalities	0%	0%	0%
Lost days due to work injury	0	0	0

Development and Training

Staff Development and Training

Employees are regarded as the Group's largest and most valuable assets and an essential part of maintaining a competitive advantage. The Group provides its staff with training courses for upgrading skills and development as needed. The Group arranges tailor-made training courses on a variety of topics such as technical workshops, customer service, environmental protection and occupational health and safety.

The Group adheres to the "people-oriented" management concept. The Group builds a multi-level, all-round and three-dimensional team. This provides powerful talent support for sustainable development. The Group focuses on employees' knowledge accumulation, professional skills development, and career planning. The Group provides a good working environment as well as practical training and also for the Group to build an energetic and positive working atmosphere. The Group established a good mechanism of cultivating and utilizing talents.

The Group regularly monitors the training and development activities, and reviews the Group's support framework to continually improve the Group's training and development policies. The Group's training policy is inclusive and equal for both genders.

The Group's employees trained by gender	Percentage of staff	
	2025/2026	2024
Female staff	71%	71%
Male staff	80%	80%

The Group encourages and supports the participation of employees in personal and professional training. The Group also encourages the culture of sharing of experience by organizing various forms of training from time to time to help employees for their career planning and improve their job performance.

Labour Standards

Labour Standards Compliance

The Group strictly complies with all labour and socioeconomic regulations. The Group does not discriminate on the basis of gender, ethnicity, nationality, age, religious belief, disability or marital status.

To ensure strict compliance with local employment laws in Hong Kong, Macau, and Mainland China, the Group implements access controls at its sites and offices to prevent illegal workers from entering. The Group also monitors the presence of illegal workers on sites by conducting random checks. The Group ensures that all employees have the necessary visas, work permits, specific registrations, licenses, and qualifications before they perform their assigned duties.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to employment and labour practices. There was no incident of child and forced labour in the Reporting Period.

Supply Chain Management

Environmental and Social Risk Management of Supply Chain

The Group maintains an approved list of suppliers across its operating regions, including Macau and Hong Kong. When selecting suppliers, the Group evaluates them based on their scale of operation, past cooperation, technical capability, price competitiveness, and delivery timelines. To effectively manage environmental and social risks along the supply chain, the Group also integrates ESG criteria into this selection process, prioritizing suppliers who demonstrate strong compliance with local labor laws, occupational safety standards, and environmental regulations.

The procurement process is highly structured: the procurement department coordinates with project managers to select suitable vendors from the approved list. Proposed purchase orders are reviewed and approved by the Executive Directors prior to execution. Upon delivery, the Group's quantity surveyors stringently examine the materials to ensure they meet project schedules and quality expectations. Furthermore, the Group actively explores opportunities to promote environmentally preferable products, encouraging the procurement of eco-friendly and energy-efficient fitting-out materials whenever viable.

Supplier Evaluation and Monitoring

The Group maintains close liaison with its suppliers to monitor their performance and ensure consistency with service commitments. The procurement department conducts supplier evaluations through both ongoing project monitoring and annual assessments. These evaluation results serve as the core basis of the Group's supplier management. Suppliers are required to react quickly to assessment feedback and take effective remedial measures within prescribed periods. The Group reserves the right to terminate cooperation with vendors who violate regulatory rules, fail to meet quality targets, or breach environmental and social standards.

The Group is currently in the process of refining its procurement data collection systems to accurately categorize its approved vendor list by geographical region. Consequently, the quantitative breakdown of the number of suppliers by region is not disclosed in this Reporting Period. The Group will continue to enhance its data tracking capabilities with the aim of disclosing this information in future reports.

Product Responsibility

Quality and Safety of Services

The Group places high attention on the quality and safety of its fitting-out and maintenance services. To ensure high quality standards, the Group strictly controls the procurement of building materials, interior decoration components, and machinery. Prior to commencing any project, the Group actively communicates with customers to confirm their expectations and requirements. During the construction phase, the Group focuses on rigorous project monitoring to ensure all works comply with the Group's internal quality standards and applicable statutory regulations.

The Group has established a robust system for the selection and management of subcontractors. Project managers conduct regular inspections of subcontractor progress and workmanship quality. Furthermore, the Group requires all subcontractors to comply with the safety, building, and structural measures specified in the Group's safety management plan.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to health and safety, advertising, labelling, and privacy matters relating to products and services provided. Furthermore, given the nature of our fitting-out business, there were no products sold or shipped that were subject to recalls for safety and health reasons, and no substantiated service-related customer complaints were received.

Intellectual Property and Data Privacy

The Group is committed to the protection of intellectual property rights and ensures that no infringement of third-party intellectual property occurs during project design and execution. Protection of intellectual property is explicitly included in contractual terms with both customers and suppliers. The Group's legal department reviews all operational contracts to safeguard the intellectual property rights of both parties, and technical professionals are required to sign strict confidentiality agreements.

In addition, the Group prioritizes consumer data protection and privacy. In compliance with relevant laws, such as the Personal Data (Privacy) Ordinance in Hong Kong, the Group ensures that all confidential customer information is securely stored and is only accessible to authorized employees directly responsible for the corresponding project.

Community Investment

Contributions to Society

As a socially responsible enterprise, the Group actively strives to become a positive force in the community. The Group's community investment strategy primarily focuses on social welfare, environmental protection, and local community development.

To support these focus areas, the Group actively encourages employees to contribute their time and skills to community volunteer initiatives, giving them opportunities to learn more about social issues and enhance the Group's corporate value. Financially, when the Group records sustainable after-tax profits and maintains sufficient operational funds, it will periodically allocate resources to make donations to recognized charities.

CONTENT INDEX

This Report has been prepared in line with the ESG Code contained in Appendix C2 to The Rules Governing the Listing of Securities on the Stock Exchange.

Part B: Mandatory Disclosure Requirements			Location/Remarks
Governance Structure			ESG Governance Structure
Reporting Principles			Reporting Principle
Reporting Boundary			Reporting Boundary
Part C: "Comply or explain" Provisions			
Aspect A1: Emissions	General Disclosure		Environment
	KPI A1.1	The types of emissions and respective emissions data.	Environment
	KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	Not applicable
	KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Environment
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environment
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environment
Aspect A2: Use of Resources	General Disclosure		Use of Resources
	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 efficiency target(s) set and steps taken to achieve them.	Use of Resources
	KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Not applicable
Aspect A3: The Environment and Natural Resources	General Disclosure		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.	Environment and Natural Resources

Aspect B1: Employment	General Disclosure		Employment
	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
Aspect B2: Health and Safety	General Disclosure		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.	Health and Safety
	KPI B2.2	Lost days due to work injury.	Health and Safety
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training	General Disclosure		Development and Training
	KPI B3.1	The percentage of employees trained by gender and employee category.	Development and Training
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards	General Disclosure		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		Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, 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

Aspect B6: Product Responsibility	General Disclosure		Product Responsibility
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group's business
	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
Aspect B7: Anticorruption	General Disclosure		Ethics and Integrity
	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.	Ethics and Integrity
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Ethics and Integrity
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Ethics and Integrity
Aspect B8: Community Investment	General Disclosure		Community Investment
	KPI B8.1	Focus areas of contribution.	Community Investment
	KPI B8.2	Resources contributed to the focus area.	Community Investment
Part D: Climate-related Disclosures			
(I) Governance	(a) the governance body(s) or individual(s) responsible for oversight of climate related risks and opportunities; and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.		Climate Change
(II) Strategy	Climate-related risks and opportunities		Climate Change
	Business model and value chain		Climate Change
	Strategy and decision-making		Climate Change
	Financial position, financial performance and cash flows		
	Current financial effect		Climate Change
	Anticipated financial effect		Climate Change
	Climate resilience		In future reports, we will conduct climate-related scenario analysis and disclose the relevant findings.

(III) Risk Management	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks; and (b) the processes the issuer uses to identify, assess, prioritise and monitor climate related opportunities; and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Climate Change
(IV) Metrics and Targets	Greenhouse gas emissions	Climate Change
	Climate-related transition risks	Climate Change
	Climate-related physical risks	Climate Change
	Climate-related opportunities	Climate Change
	Capital deployment	Climate Change
	Internal carbon prices	We currently do not incorporate internal carbon prices into our decision making process. We will explore the use of internal carbon prices in the future.
	Remuneration	We will explore the feasibility of enhancing our remuneration policies by incorporating climate related metrics into senior management remuneration.
	Industry-based metrics	We will review the internal information and disclose the KPIs as appropriate to ensure transparency and compliance.
	Climate-related targets	Climate Change
	Applicability of cross-industry metrics and industry-based metrics	Not applicable

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Executive Directors

Mr. Li Kam Hung（李錦鴻先生）, aged 72, founded the Group in August 1996. He was appointed as our Director on 9 April 2018, and was re-designated as our executive Director, chairman of the Board and chief executive officer on 15 June 2018. He also serves as a director of various subsidiaries of the Company. Mr. Li is responsible for the overall strategic planning, project management and business direction of the Group. Mr. Li Kam Hung is the father of Mr. Li Chun Ho (a non-executive Director).

Mr. Li has over 40 years of experience in the fitting-out industry. After finishing his secondary education, Mr. Li entered the fitting-out industry as an apprentice at construction sites in the early 1970s and was promoted as a project manager since the 1980s. He later founded Wai Hung Hong Engineering Company Limited in August 1996 running a fitting-out business of his own and expanded the business to Macau by incorporating Wai Hung Hong Engineering (Macau) Co., Ltd in May 2005.

Mr. Song Yanyang, aged 36, has been appointed as an executive Director of the Company with effect from 2 December 2025 and redesignated as the vice chairman of the Board of the Company with effect from 1 April 2026. He served as an executive director of Nanguaxia Technology*（南瓜俠科技）from November 2020 to May 2024. During his tenure, he was fully responsible for the company's strategic planning, business development and team management. He currently serves as a director of Guangdong Zhongchuang Times Network Technology Co., Ltd.*（廣東眾創時代網路科技有限公司）and the chairman of Guangdong Jiuyuejiu Culture Media Co., Ltd.*（廣東玖月玖文化傳媒有限公司）. Mr. Song has 18 years of experience in the internet and media sectors, focusing on internet platform operations, shared economy industry layout, business model construction, corporate strategic management and marketing planning.

He is currently also a director of Zhonghang Shiji (Shenzhen) Investment Fund Management Co., Ltd.*（中航世紀（深圳）投資基金管理有限公司）and a member of the Chinese People's Political Consultative Conference in Le'an County, Fuzhou City, Jiangxi Province.

Mr. Yu Ming Ho（余銘濠先生）, aged 48, was appointed as our Director on 9 April 2018, and was re-designated as an executive Director on 15 June 2018. Mr. Yu is responsible for the overall management, administrative matters and daily operations of the Group. He also serves as a director of various subsidiaries of the Company.

Mr. Yu obtained a Higher Diploma in Building Technology and Management at the Hong Kong Polytechnic University in 1999 and a degree of Bachelor of Science in Building Engineering and Management at the Hong Kong Polytechnic University in 2005.

Mr. Yu joined our Group in September 2000 as a quantity surveyor and was promoted as a commercial director in July 2012. Mr. Yu has accumulated extensive experience and handled a number of fitting-out projects conducted by the Group since then.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Yau Yik Ming Leao, aged 63, was appointed as our Director on 4 November 2024 and appointed as chief executive officer of the Company on 2 May 2025. He obtained a certificate in the law of the People's Republic of China (the "**PRC**") in 1997 jointly provided by The University of Hong Kong and Fudan University and received education in Canada during the period from 1979 to 1982. Mr. Yau, was the general manager of Plateau Treasure (HK) Limited during the period from 2021 to August 2024, responsible for business governance, planning and strategic direction. Mr. Yau served as chief adviser to the board of directors of 四川金品坊商業管理有限公司 (Sichuan Golden Square Commercial Management Co., Ltd.*) during the period from 2019 to 2020. Mr. Yau was the executive director and the independent non-executive director of Congyu Intelligent Agricultural Holdings Limited (Stock Code: 875) for the period from December 2014 to June 2018 and July 2014 to December 2014 respectively. Mr. Yau was the managing director of 金品商業集團有限公司 (Champion Commercial Group Limited*), a company engaging in the business of commercial real estate development and leasing in the PRC and a director of each of 深圳華章基業股權基金有限公司 (Shenzhen Hua Zhang Foundation Equity Fund Limited*) and 湖北赤壁基金有限公司 (Hubei Chibi Fund Limited*), both of which are engaged in the business of private equity investment. Prior to those positions, Mr. Yau served as a director of Eternal Pearl Securities Limited, a licensed corporation engaging in the business of dealing in securities during the period from 2005 to 2009. He was a director of Sun Farm Corporation, a company engaging in the business of food manufacturing during the period from 2009 to 2011. During the period from 1983 to 2005, Mr. Yau worked for various companies which had business in the PRC, Taiwan and Singapore, through which Mr. Yau has gained experiences in sales and marketing, M&A and project management.

Ms. Chen Jianyu, aged 49, was appointed as our Director on 12 March 2025. She holds a diploma in Computer Science from Heyuan Yuancheng Technical School（河源源城技工學校）. She has over 20 years of extensive experience in technology, business development, capital operations, and corporate strategy. She is the founder and chairperson of a high-growth technology company, where she has played a pivotal role in steering the company from its inception to a prominent position in the technology industry.

Previously, she served as the business director of an information technology company, where she spearheaded software sales, expanded market presence, and boosted revenue. During her tenure, Ms. Chen also played a pivotal role in brand promotion, public relations, and customer acquisition strategies.

Mr. Kwan Hung Chun Curtus, aged 32, was appointed as our Director on 2 May 2025. He holds a Bachelor of Social Science (Honours) in Psychology from The Chinese University of Hong Kong. He is a professional with extensive experience in corporate services and finance. He currently serves as a manager at a corporate services firm, where he assists chairmen of listed companies in compliance with policies and regulations, providing governance advice and shareholder communications. Mr. Kwan has been in the corporate finance industry since 2018 and has accumulated rich experience in corporate finance and corporate governance. From 10 July 2024 to 12 November 2024, he was an independent non-executive director of Sheung Moon Holdings Limited (Stock Code: 8523). From April 2017 to September 2018, he worked as an associate consultant at Ipsos Limited, responsible for conducting industry research for clients in preparation of their initial public offering ("**IPO**"). Since September 2018, Mr. Kwan has served various positions at VBG Capital Limited ("**VBG**") and has been involved in different corporate transactions, including but not limited to IPO sponsorships and general offers. Currently, Mr. Kwan is a consultant at VBG and works as a manager at Ascent Corporate Services Limited, responsible for providing corporate governance services for companies in Hong Kong, Malaysia and the PRC.

Non-Executive Director

Mr. Li Chun Ho（李俊豪先生）, aged 36, joined the Group as a non-executive Director on 15 June 2018 and appointed as chairman of the Board on 4 September 2024. He is responsible for providing management and marketing advice to the Group.

Mr. Li Chun Ho obtained a Bachelor of Commerce degree at the University of Melbourne in 2011. He served as an assistant relationship manager at the Standard Chartered Bank (Hong Kong) Limited from October 2012 to September 2013, and an associate consultant in the banking team at Randstad (Hong Kong) Limited from March 2015 to March 2016. Since April 2016, he has served as a business consultant at Wang Pou Trading (Macau) Limited, a company which is principally engaged in the trading of construction materials in Macau. Mr. Li Chun Ho is the son of Mr. Li Kam Hung (the chairman of the Board, an executive Director and the chief executive officer of the Company).

Independent Non-Executive Directors

Mr. Tam Tsz Hin, aged 45, has been serving as the Managing Director of Celebrity Credit Limited since May 2013. In this role, he is responsible for overseeing the management of huge loan portfolio, managing risks and ensuring compliance with AML/CFT regulations.

Prior to his current role, Mr. Tam served as General Manager at MS Company Limited from February 2012 to April 2013. He also held senior sales positions at various international banks including ANZ Bank, DBS Bank and ABN Amro Bank from 2008 to 2012.

Mr. Tam's extensive experience in financial management and his strategic leadership at Celebrity Credit Limited highlight his capability to manage complex financial operations and ensure compliance with regulatory standards. His professional journey reflects a robust career dedicated to excellence in the banking and finance sector.

Mr. Yu Kwan Tseung, Alvin, aged 50, joined the accounting industry in the United States and has since accumulated extensive experience across various financial and management roles. Mr. Yu began his career at KPMG, LLP in Washington, DC, as a Staff Accountant from September 1999 until May 2002 and he has been the Financial Controller at Golden Square Commercial Trade Group since October 2015.

Mr. Yu also held the position of Executive Director and Chief Financial Officer at New Western Group Limited (stock code: 8242) (the listing shares were cancelled on 4 May 2022) from March 2021 to December 2021. In this role, he managed and led the financial initiatives of the company which included a major transaction regarding an acquisition in the property management business.

Mr. Yu is currently a member of the American Institute of Certified Public Accountants. He graduated with a Bachelor of Science in Accounting and Finance from the University of Maryland, College Park, U.S.A. in December 1998. His profound expertise in financial management and compliance is underpinned by a robust educational background and a dynamic career in both the United States and Hong Kong.

Mr. Yuan Fangjun, aged 39, is a PRC lawyer and the founding partner of Hunan Liyao Law Firm（湖南理曜律師事務所）, where he currently serves as the Executive Director and Party Branch Secretary.

From 2011 to 2012, Mr. Yuan was a founder and General Manager of Changsha Zhengcheng Investment Management Co., Ltd.（長沙征程投資管理有限公司）. Since 2012, he has focused on legal practice and law firm management at Hunan Liyao Law Firm.

In addition to his professional roles, Mr. Yuan is an Adjunct Lecturer at the School of Administration of the State Administration for Market Regulation（國家市場監督管理總局行政學院）, and an expert for a project team at the National Industrial Information Security Development Research Center（國家工業信息部安全發展研究中心）. He has been recognized as one of the first cohort of leading young lawyers by the Changsha Lawyers Association（長沙市律師協會）, and was awarded Outstanding Party-member Lawyer in Changsha. He also served as an expert involved in the drafting of the "Compliance Operation Management Specification for New Retail Enterprise" (《新零售企業合規運營管理規範》).

Mr. Yuan obtained a Bachelor of Laws (LL.B.) from the School of Liberal Arts and Law of Changsha University of Science and Technology（長沙理工大學文法學院）in 2011.

Mr. Zhou Zhengcheng, aged 44, has extensive management experience across business services, education consulting and technology-driven logistics and consumer services. He served as General Manager of Hangzhou Wanpu Business Services Co., Ltd.（杭州萬普商務服務有限公司）from April 2011 to August 2013. From September 2013 to June 2017, he served as Chairman of Hangzhou Chaogan Education Consulting Co., Ltd.（杭州超感教育諮詢有限公司）. He was subsequently the Chairman of Zhejiang Zhilian Huitong Logistics Technology Co., Ltd.（浙江智聯惠通物流科技有限公司）from May 2020 to June 2022. Since November 2023, Mr. Zhou has been serving as the Chairman of Zhejiang Huigou Life Technology Co., Ltd.（浙江惠購生活科技有限公司）.

Mr. Zhou obtained a degree in Business Administration (Industrial and Commercial Enterprise Management) from Southwest University of Science and Technology（西南科技大學）in 2009.

REPORT OF THE DIRECTORS

The Directors are pleased to present to the Shareholders their report together with the audited consolidated financial statements of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Particulars of the Company's principal subsidiaries are set out in note 31 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 62 of this annual report.

DIVIDENDS

The Board did not recommend the payment of a final dividend by the Company for the Reporting Period.

No dividend has been proposed since the end of the Reporting Period.

Pursuant to the dividend policy, the Board may propose the payment of dividends, if any, on a per share basis, provided that the Group is profitable and without affecting the normal operations and business of the Group, the Board may consider declaring and paying dividends to the Shareholders by taking into account the following factors, among others, (i) the actual and expected financial performance of the Group; (ii) the general business conditions and strategies of the Group; (iii) the expected working capital requirements, capital expenditure requirements and future expansion plans of the Group; (iv) the retained earnings and distributable reserves of the Company and each of the other members of the Group; (v) the level of the Group's debts to equity ratio and return on equity as well as financial covenants to which the Group is subject; and (vi) any other factors that the Board may deem appropriate. Such declaration and payment of dividends by the Company shall remain to be determined at the sole discretion of the Board and subject to the requirements under all applicable laws, rules and regulations as well as the Articles of Association. Any future declarations and payments of dividends may or may not reflect the historical declarations and payments of dividends and will be at the absolute discretion of the Directors. Currently, the Group do not have any predetermined dividend payout ratio.

BUSINESS REVIEW

A fair review of the business of the Group during the year and a discussion on the Group's future business development are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on pages 4 to 11 of this annual report.

The above discussions form part of this directors' report.

PRINCIPAL RISKS AND UNCERTAINTY

(i) Risk associated with financial instruments of the group

The financial risk management objectives and policies of the Group are set out in note 28 to the consolidated financial statements.

(ii) Key sources of estimation uncertainty

Details of the key sources of estimation uncertainty as at 31 March 2026 are set out in note 4 to the consolidated financial statements.

COMPLIANCE WITH LAWS AND REGULATIONS

Strenuous efforts are exerted to ensure compliance with the laws and regulations of the jurisdictions in which the Company operates.

In relation to human resources, the Group provides and maintains statutory benefits for its staff, including but not limited to entitlement to mandatory provident fund, basic medical insurance, work injury insurance, etc. staff is entitled to day-off on public holidays and maternity leave.

During the Reporting Period, following the resignation of several independent non-executive Directors, the Company failed to meet the requirements under Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules and B.3.5 of the Corporate Governance Code.

Following the appointment of Mr. Yuan and Mr. Zhou, (i) the Board has four independent non-executive directors; (ii) the Audit Committee has four members; (iii) the Remuneration Committee chaired by an independent non-executive director; (iv) the Nomination Committee comprises a majority of independent non-executive directors; and (v) the Nomination Committee has at least one director of a different gender. Accordingly, the Company has fully complied with the requirement under Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules and B.3.5 of the Corporate Governance Code.

At the corporate level, saved for disclosure in Corporate Governance Report and the above, the Group complies with the requirements under the Listing Rules and the SFO for, among other things, the disclosure of information and corporate governance, and the Group has adopted the Model Code set out in Appendix C3 to the Listing Rules.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group's success also depends on the support from key stakeholders which comprise employees, customers and subcontractors and suppliers.

Employees

Employees are regarded as important and valuable assets of the Group. The Group has maintained good relationship with the employees. The Group provides various training to our employees and sponsors the employees to attend various training courses, such as those on occupational health and safety in relation to our work. Such training courses include our internal training as well as courses by external parties. The remuneration packages the Group offers to employees include salary and discretionary bonuses. In general, the Group determines employees' salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of the employees, which forms the basis of determining salary raises, bonuses and promotions.

Customers

The Group's customers included subsidiaries of casino gaming and integrated resort operators in Macau as well as individual customers. The Group is a contractor providing fitting-out services and repair and maintenance services in Macau and Hong Kong. Our fitting-out services primarily cover refitting works for existing buildings and extend to casinos, retail areas, hotels, restaurants, commercial properties and residential properties. The Group primarily focuses on providing fitting-out services for the commercial segment, in particular facilities located within integrated resorts in Macau.

Suppliers and Subcontractors

The Group's suppliers include suppliers of materials for our services such as wall coverings, ironmongery, art works, furniture, marble, carpets, chandeliers and sanitary wares. The Group maintains an internal list of approved suppliers and such list is updated from time to time. The Group reviews the existing list of approved suppliers and determine whether any of them should be removed or replaced based on the quality of their products. The Group selects suppliers based on a number of criteria, including without limitation, their track record, prices, product quality and timely delivery. The Group generally determines the amount of materials we need prior to submitting a tender and thereafter source materials from suppliers after a contract is awarded.

The Group strategically subcontracts on-site labour intensive works to our subcontractors, while maintaining overall project management and implementation. The Group's subcontractors include subcontractors of our fitting-out services, such as supply and installation of electrical system, heating, ventilation, air-conditioning, fire service system, glass doors, wall finishes, door leafs, false ceiling, marble, carpets and lighting system. The Group maintains an internal list of approved subcontractors, which is updated on a regular basis. We review the existing list of approved subcontractors and determine whether any of them should be removed or replaced based on their performance.

In addition, during the continuance of the contracts with our subcontractors, the Group will supply them with our internal guidelines on safety and environmental issues and require them to follow. The Group effectively implements the subcontractor assessment process by conducting regular site visit, evaluation on the performance of contract and other measures, to ensure the performance of our subcontractors.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is environmentally responsible in meeting customers' demand and at the same time society's expectation in maintaining a healthy living and working environment. The Group is highly concerned about the impact of our business on the environment. To mitigate such effect, we have formulated an in-house environmental policy that contains environmental protection guidelines on chemical management, sewage management, waste management and noise management for our employees and subcontractors. During the Reporting Period, the Group did not incur any material costs in relation to compliance with applicable environmental laws and regulations. To the best of the Board's knowledge, the Group had complied with the relevant laws and regulations in all material aspects during the Reporting Period.

RESERVES

Details of movements in the reserves of the Group during the Reporting Period are set out in the consolidated statement of changes in equity on page 64.

DISTRIBUTABLE RESERVES

The Company has no reserve available for distribution as at 31 March 2026 (31 December 2024: approximately MOP219.5 million).

MATERIAL INVESTMENT AND ACQUISITION

During the Reporting Period, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

BANK BORROWINGS

Details of the bank borrowings of the Group as at 31 March 2026 are set out in note 22 to the consolidated financial statements.

PROPERTY AND EQUIPMENT

Movements in property and equipment during the year and details of the Group's property and equipment are set out in note 13 to the consolidated financial statements.

INVESTMENT PROPERTIES

As at 31 March 2026, the Group did not hold any investment property.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 24 to the consolidated financial statements.

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 Reporting Period or subsisted at the end of the year.

PERMITTED INDEMNITY PROVISION

Pursuant to article 164 of the Articles of Association, subject to relevant laws, every Director shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

DIRECTORS

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

Executive Directors

Mr. Song Yanyang *(Vice Chairman) (appointed on 2 December 2025)*
Mr. Yau Yik Ming Leao *(Chief Executive Officer)*
Ms. Chen Jianyu *(appointed on 12 March 2025)*
Mr. Kwan Hung Chun Curtus *(appointed on 2 May 2025)*
Mr. Li Kam Hung *(suspension of duties)*
Mr. Yu Ming Ho *(suspension of duties)*
Mr. Au Chi Fung *(resigned on 16 July 2025)*
Ms. Bohra Shilpa Rajesh *(resigned on 12 March 2025)*
Mr. Loke Sebastian Mun Foo *(resigned on 2 April 2025)*
Dr. Chew Chee Wah *(resigned on 2 May 2025)*

Non-executive Director

Mr. Li Chun Ho *(Chairman)*

Independent Non-executive Directors

Mr. Tam Tsz Hin *(appointed on 16 July 2025)*
Mr. Yu Kwan Tseung, Alvin *(appointed on 16 July 2025)*
Mr. Yuan Fangjun *(appointed on 30 January 2026)*
Mr. Zhou Zhengcheng *(appointed on 30 January 2026)*
Mr. Koh Kwing Chang *(resigned on 2 June 2025)*
Mr. Lai Chi Leung *(resigned on 2 June 2025)*
Ms. Mak Wei Ting Josephine *(appointed on 12 March 2025 and resigned on 16 July 2025)*
Ms. Tung Ching *(appointed on 2 May 2025 and resigned on 31 October 2025)*
Mr. Ng Brian Hong Jing *(appointed on 2 May 2025 and resigned on 16 July 2025)*
Mr. Lum Pak Sum *(resigned on 2 May 2025)*

In accordance with the Company's Articles of Association, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an AGM at least once every three years and, being eligible, offer themselves for re-election for the forthcoming year. None of the Directors proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has entered into a service contract with the Company for an initial fixed term from one to two years, renewable automatically until terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or any time thereafter.

Each of the non-executive Directors has entered into a letter of appointment with the Company, which takes effect from the date of the letter of appointment, and shall continue for an initial fixed term of three years from the Listing Date, and provided that either party can at any time terminate the appointment by giving to the other party not less than three months' prior notice in writing.

Each of the independent non-executive Directors, has entered into a letter of appointment with the Company, which takes effect from the date of the letter of appointment, and shall continue for an initial fixed term of one year, and provided that either party can at any time terminate the appointment by giving to the other party not less than three months' prior notice in writing.

No Directors being proposed for re-election at the forthcoming AGM has a service contract or a letter of appointment with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

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

As at 31 March 2026, the interests and short positions of each Director and CEO in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

The Company

Name of Director/ Chief Executive	Capacity	Number of Shares held/ interested[1]	Approximate percentage of the total issued Shares
Li Kam Hung ("**Mr. Li**")	Interest in a controlled corporation[2]	214,093,000 Shares (L)	29.46%
Mr. Yau Yik Ming Leao	Beneficial owner	6,000,000 (L) (note 3)	0.83%
Mr. Song Yanyang	Beneficial owner	6,000,000 (L) (note 3)	0.83%
Ms. Chen Jianyu	Beneficial owner	3,000,000 (L) (note 3)	0.41%
Mr. Kwan Hung Chun Curtus	Beneficial owner	3,000,000 (L) (note 3)	0.41%
Mr. Cheung Tai Chi (note 4)	Beneficial owner	6,000,000 (L) (note 3)	0.83%

Notes:

(1) The letter "L" denotes the Director's long position in the Shares.

(2) The Company was held as to approximately 29.46% by Copious Astute Limited ("**Copious Astute**"). Copious Astute is held as to 100% by Mr. Li.

(3) These represented the interests in underlying shares in respect of share options granted by the Company, details of which are disclosed in paragraph headed "Share Option Scheme" above.

(4) Mr. Cheung Tai Chi is the Chief Financial Officer of the Company.

Save as disclosed above, as at 31 March 2026, none of the Directors and CEO had any interest or short position 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) which are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Option Scheme", at no time during the Reporting Period was the Company, its holding company, or its subsidiaries a party to any arrangements to enable the Directors (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

On 18 March 2019, a share option scheme (the "**Share Option Scheme**") was approved and adopted by the Shareholders, under which, options may be granted to any eligible persons (as defined in the Share Option Scheme) to subscribe for Shares subject to the terms and conditions stipulated in the Share Option Scheme. The Company has adopted the Share Option Scheme as an incentive to Directors and eligible employees.

Subject to the terms of the Share Option Scheme, the Board may, at its discretion, invite any "Eligible Persons" to take up option(s) ("**Option(s)**") to subscribe for Shares granted pursuant to the Share Option Scheme at a price calculated as discussed below. Upon acceptance of the Option, the Eligible Person shall pay HK$1.00 to the Company by way of consideration for the grant. The Option will be offered for acceptance for a period of 28 days from the date on which the Option is granted. "Eligible Persons" means any full-time or part-time employee of the Company or any member of the Group, including any executive Directors, non-executive Directors and independent non-executive Directors, suppliers, customers, agents, advisors and consultants of the Group who, in the sole opinion of the Board, will contribute or have contributed to the Group.

Any grant of Options must not be made after inside information has come to our knowledge until such inside information has been announced in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarter-year period or any other interim period (whether or not required under the Listing Rules), and (ii) the deadline for the Company to publish an announcement of its results for any year, half-year, quarter-year period or any interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of results announcement. Our Directors may not grant any Option to an Eligible Person who is our Director during the periods or times in which directors of the listed issuer are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

The total number of Shares issued and to be issued upon exercise of the Options granted to a Participant under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue from time to time. Any further grant of options in excess of this 1% limit shall be subject to issuance of a circular by the Company and approved by the Shareholders in accordance with the Listing Rules.

The subscription price for the Shares subject to Options will be a price determined by the Board and notified to each Participant and shall be the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the Options; and (iii) the nominal value of a Share.

Subject to the approval of Shareholders in general meeting, the Company may refresh the Scheme Mandate Limit to the extent that the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue (excluding treasury shares) as at the date of such Shareholders' approval provided that Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, exercised or lapsed in accordance with the terms thereof) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. In relation to the Shareholders' approval referred to in this paragraph, the Company shall send a circular to our Shareholders containing our information required by the Listing Rules.

Subject to the approval of Shareholders in general meeting, the Company may also grant Options beyond the Scheme Mandate Limit provided that Options in excess of the Scheme Mandate Limit are granted only to the Eligible Persons specifically identified by the Company before such Shareholders' approval is sought. In relation to the Shareholders' approval referred to in this paragraph, the Company shall send a circular to its Shareholders containing a generic description of the identified Eligible Persons, the number and terms of the Options to be granted, the purpose of granting Options to the identified Eligible Persons, an explanation as to how the terms of such Options serve the intended purpose and such other information required by the Listing Rules.

The Share Option Scheme will be valid and effective for a period of 10 years commencing on 23 April 2019 and remains in force until 22 April 2029, after which period no further Options may be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and Options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Board to each Participant provided that the period within which the Option must be exercised shall not be more than 10 years from the date of the grant of Option. The exercise of an Option may be subject to the administration of the Board whose decision as to all matters arising from or in relation to the Share Option Scheme as its interpretation or effect shall be final and binding on all parties to the Share Option Scheme.

The number of options available for grant under the Share Option Scheme mandate as at 1 January 2025 and 31 March 2026 was 50,000,000 and nil, respectively.

Summary of material matters relating to the Share Option Scheme reviewed by the Remuneration Committee

Grant of share options under the Share Option Scheme

During the Reporting Period, 50,000,000 share options have been granted to four Directors, Chief Financial Officer and certain employees (collectively, the "**Grantees**").

Vesting period

100% of the Options shall vest on the 1st anniversary of the date of grant.

Performance target

There is no performance target attached to the Options granted. The purpose of the Share Option Scheme is to recognise and acknowledge the contributions that the eligible participants (including senior management) have made or may make to the Group, and to motivate the eligible participants to optimise their performance and efficiency for the benefit of the Group, as well as, to attract and retain the eligible participants whose contributions are, will or are expected to be beneficial to the Group. The number of Options granted was based on the work performance and potential contributions of the Grantees and no additional performance target is imposed before the Options are vested to the Grantees. In view of the above, the remuneration committee of the Company considered the grant of Share Options aligned with the purpose of the Share Option Scheme.

Clawback mechanism

The Options granted to the Grantees are not subject to any clawback mechanism but shall lapse and/or be cancelled (to an extent not already exercised) under various scenarios provided under the Share Option Scheme. The remuneration committee of the Company considers that a specific clawback mechanism is not necessary, having considered that the lapse and cancellation of the Options upon the Grantee(s) ceasing to be an eligible person under the Share Option Scheme is in line with the purpose of the Share Option Scheme and in the interests of the Company.

In recommending the grant of share options to Directors and employees, the Remuneration Committee considers that the Share Option Scheme provides the Grantees with an opportunity to have a personal stake in the Company with the view to satisfy the objectives of (i) motivating the Grantees to optimise their performance efficiency for the benefit of the Group; and (ii) attracting and retaining ongoing employment/business relationship with the Grantees whose contributions are or will be beneficial to the long term growth of the Group.

Having considered that (i) the Grantees are eligible participants under the Share Option Scheme who would contribute directly to the overall business performance, sustainable development and/or corporate governance of the Group; (ii) the grant of share options to the Grantees is a recognition for their past contributions to the Group; and (iii) the share options are subject to the terms of the Share Option Scheme which provides for circumstances under which the share options shall lapse automatically, the Board and the Remuneration Committee are of the view that without additional clawback mechanism, the grant of share options could align the interest of the Grantees with that of the Company and its Shareholders, reward and provide incentive to the Grantees to work for the success of the Group, and reinforce their commitments to long-term services to the Group, which is in line with the purpose of the Share Option Scheme.

Share options of 50,000,000 were granted under the Share Option Scheme and no ordinary share was issued and allotted by the Company during the Reporting Period. The number of Shares that may be issued in respect of the share options granted under the Share Option Scheme during the Reporting Period represented approximately 8.15% of the weighted average number of Shares in issue (excluding treasury shares) during the Reporting Period. After the above grant of share options, there is no remaining Share will be available for future grant under the existing scheme mandate limit of the Share Option Scheme.

Save as disclosed above, no share options had been exercised, cancelled, expired or lapsed under the Share Option Scheme during the Reporting Period. For the share options were granted after the Reporting Period, please refer to the section “Events after Reporting Period”.

The closing price of the Shares immediately before the date on which the share options were granted was HK$0.046 per Share.

As at the date of this report, the total number of Shares available for issue under the Share Option Scheme was nil, representing 0% of the issued Shares of the Company (excluding treasury shares).

Pursuant to Rule 17.09(9) of the Listing Rules, as at the date of this report, the remaining life of the Share Option Scheme is approximately 2 years and 10 months.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 March 2026, according to the register kept by the Company under Section 336 of the SFO, the corporations or persons (other than a Director or CEO) had interests of 5% or more in the Shares or underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of Shareholder	Capacity	Number of Shares held/ interested(1)	Approximate percentage of the total issued Shares
Copious Astute Limited	Beneficial owner(2)	214,093,000 Shares (L)	29.46%
Ms. Ng Suk Fun	Interest of spouse(3)	214,093,000 Shares (L)	29.46%
Fresh Phoenix Limited	Beneficial owner(4)	39,885,000 Shares (L)	5.49%
Mr. Leong Lap Kun ("**Mr. Leong**")	Interest of controlled corporation(4)(5)	39,940,000 Shares (L)	5.50%

Notes:

(1) The letter "L" denotes the entity/person's long position in the Shares.

(2) Our Company is owned as to 29.46% by Copious Astute Limited, which is in turn wholly owned by Mr. Li. Under the SFO, Mr. Li is deemed to be interested in all the Shares which are registered in the name of Copious Astute Limited.

(3) Ms. Ng Suk Fun is the spouse of Mr. Li. Under the SFO, Ms. Ng Suk Fun is deemed to be interested in the same number of Shares in which Mr. Li is interested.

(4) Our Company is owned as to approximately 5.49% by Fresh Phoenix Limited, which is in turn wholly owned by Mr. Leong. Under the SFO, Mr. Leong is deemed to be interested in all the Shares which are registered in the name of Fresh Phoenix Limited.

(5) Our Company is owned as to approximately 0.01% by Shining Holding Limited, which is in turn wholly owned by Mr. Leong. Under the SFO, Mr. Leong is deemed to be interested in all the Shares which are registered in the name of Shining Holding Limited.

Save as disclosed above, as at the date of this annual report, no other person (other than a Director or CEO) had registered an interest or short position in the Shares, underlying Shares and debentures of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as the related party transactions as disclosed in note 30 to the consolidated financial statements, there were no other transactions, arrangements or contracts that are significant in relation to the business of the Group to which the Company or any of its subsidiary was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at any time during the Reporting Period.

MANAGEMENT CONTRACTS

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

RELATED PARTY TRANSACTIONS

The significant related party transactions that did not constitute connected transaction which is required to be disclosed under Chapter 14A of the Listing Rules made during the Reporting Period were disclosed in note 30 to the consolidated financial statements.

COMPETING INTEREST

There were no competing business of which any Directors or their respective close associates had a material interest, whether directly or indirectly, subsisted since the Listing Date and up to the date of this annual report.

DEED OF NON-COMPETITION

Each of Mr. Li Kam Hung and Copious Astute (each a "**Non-Compete Covenantor**") has entered into a deed of non-competition (the "**Deed of Non-competition**") dated 18 March 2019 with the Company, to the effect that each of them will not directly or indirectly participate in, or hold any right or interest, or otherwise be involved in any business which may be in competition with the business of the Group from time to time.

The Company has received the annual confirmation from the Non-Compete Covenantors in respect of their compliance with the non-competition undertakings under the Deed of Non-competition since the Listing Date and up to the date of this annual report. The independent non-executive Directors also reviewed the Non-Compete Covenantors' compliance with the non-competition undertakings.

The independent non-executive Directors confirmed that the Non-Compete Covenantors were not in breach of the non-competition undertakings since the Listing Date and up to the date of this annual report.

REMUNERATION POLICY

The remuneration policy of the Group is set up by the Remuneration Committee on the basis of market trends and the individuals' merit, qualifications and competence.

The Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics, made recommendations to the Board for all remuneration of the executive Directors and senior management of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES OR SALE OF TREASURY SHARES

None of the Company or any of its subsidiaries had purchased, sold or redeemed any of its listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the Reporting Period. As at 31 March 2026, there were no treasury shares (as defined under the Listing Rules) held by the Company.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association although there is no restriction against such rights under the laws in the Cayman Islands.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to shareholders of the Company by reason of their holding of the Company's securities.

CONNECTED TRANSACTION

During the Reporting Period, the Group had not entered into any connected transaction which is required to be disclosed under Chapter 14A of the Listing Rules.

CORPORATE GOVERNANCE REPORT

The corporate governance report of the Group during the Reporting Period is set out in the sections headed "Corporate Governance Report" on pages 12 to 25 of this annual report.

MAJOR CUSTOMERS, SUPPLIERS AND SUBCONTRACTORS

During the Reporting Period, sales to the Group's five largest customers accounted for approximately 99.9% of the Group's sales for the year and sales to the Group's largest customer included therein accounted for approximately 43.6%.

During the Reporting Period, purchase from the Group's five largest suppliers accounted for approximately 59.5% of the Group's total purchases for the year and purchase from the Group's largest supplier included therein accounted for approximately 22.1%.

During the Reporting Period, subcontracting fees paid/payable to the Group's five largest subcontractors accounted for approximately 93.9% of the Group's total subcontracting fees and subcontracting fees paid/payable to the Group's largest subcontractor accounted for approximately 39.6%.

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's share capital) had an interest in the major customers, suppliers or subcontractors noted above.

PUBLIC FLOAT

As at the latest practicable date prior to the issue of this annual report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

FINANCIAL SUMMARY

A summary of the consolidated results and the assets and liabilities of the Group for the last five financial years is set out on page 120.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the shareholders of the Company will be held on a date to be fixed by the Board, and the notice of annual general meeting will be published and despatched to the shareholders of the Company in due course.

AUDITOR

CL Partners CPA Limited resigned as the auditor of the company with effect from 26 January 2024 and Global Link CPA Limited was appointed as the auditor of the Company to fill the casual vacancy on 26 January 2024. Global Link CPA Limited has retired as the auditor of the Company with effect from the conclusion of the AGM held on 6 February 2026 and Prism Hong Kong Limited was appointed as the auditor of the Company to fill the casual vacancy with effect from the conclusion of the extraordinary general meeting held on 9 March 2026. Please refer to the Company's announcements of 26 January 2024, 6 February 2026, 12 February 2026 and 9 March 2026 and circular of the Company dated 13 February 2026 for more details regarding the change of auditor. The consolidated financial statements of the Group for the years ended 31 December 2023 and 2024 were audited by Global Link CPA Limited. The consolidated financial statements of the Group for the 15 months from 1 January 2025 to 31 March 2026 was audited by Prism Hong Kong Limited who will retire and, being eligible, offer itself for re-appointment at the next annual general meeting of the Company. The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 60 to 61.

On behalf of the Board
Li Chun Ho
Chairman

Hong Kong, 30 June 2026

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Zhongke Group Holdings Limited (formerly known as "Wai Hung Group Holdings Limited")
(incorporated in the Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Zhongke Group Holdings Limited (formerly known as "Wai Hung Group Holdings Limited") (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 62 to 119, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the fifteen months ended 31 March 2026, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Material Uncertainties Relating to Going Concern

As set out in note 3.2 to the consolidated financial statements, The Group incurred a loss of MOP43,985,000 for the fifteen months ended 31 March 2026 and, as of that date, the Group had net current liabilities and net liabilities of MOP98,456,000 and MOP104,106,000 respectively. In addition, the Group had bank and other borrowings and bank overdrafts in total of MOP76,565,000 which will be due for repayment within the next twelve months from the end of reporting period or repayable on demand, while its available bank balances and cash amounted to MOP1,323,000 and pledged bank deposits amounted to MOP15,340,000. Apart from the aforesaid, subsequent to 31 March 2026 and up to the date of approval of the consolidated financial statements, the Group did not repay principal and interest in total of approximately MOP63,574,000 for certain bank and other borrowings and bank overdrafts. These conditions, together with other matters described in the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have taken measures to improve the Group's liquidity and financial position as set out in note 3.2 to the consolidated financial statements. The consolidated financial statements have been prepared by the directors of the Company on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to material uncertainties. We are unable to determine whether the use of the going concern assumption in the preparation of the consolidated financial statements is appropriate.

Should the going concern assumption be inappropriate, adjustments would have to be made to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to write down the values of assets to their recoverable amounts and to provide for any further liabilities which may arise. The consolidated financial statements do not include any such adjustments. However, material uncertainties exist in relation to the Group's ability to continue as a going concern in view of the Group's future cash flow. We consider that appropriate disclosures have been made in the consolidated financial statements concerning this situation but we have not obtained sufficient appropriate audit evidence regarding the Group's ability to meet its financial obligations as and when they fall due and we consider the potential cumulative effect on the consolidated financial statements of this material uncertainty relating to going concern to be so significant that we have disclaimed our opinion.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed a disclaimer of opinion on those consolidated financial statements on 27 May 2025. The disclaimer opinion was arising from material uncertainties that cast significant doubt on the Group's ability to continue as a going concern.

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company 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 of the Company 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.

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report, 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. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

The engagement partner on the audit resulting in this independent auditor's report is Yip Chi Chiu.

Prism Hong Kong Limited
Certified Public Accountants
Yip Chi Chiu
Practising Certificate Number: P06934
Hong Kong
30 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the fifteen months ended 31 March 2026

	Notes	**Fifteen months ended 31 March 2026 MOP'000**	Year ended 31 December 2024 MOP'000
Revenue	5	**30,961**	8,830
Direct costs		**(27,486)**	(13,610)
Gross profit/(loss)		**3,475**	(4,780)
Other income and other losses	7	**(1,081)**	79
Impairment loss recognised in respect of trade receivables, net		**(12,362)**	(54,064)
Impairment loss (recognised)/reversed in respect of other receivables, deposits and prepayments, net		**(3,207)**	7,638
Impairment loss (recognised)/reversed in respect of contract assets, net		**(502)**	28,986
Administrative expenses		**(23,575)**	(19,114)
Finance costs	8	**(6,733)**	(7,668)
Loss before taxation	9	**(43,985)**	(48,923)
Income tax expense	10	**–**	–
Loss for the period/year		**(43,985)**	(48,923)
Other comprehensive expense			
Item that may be subsequently reclassified to profit and loss:			
Exchange differences arising on translation of foreign operation		**(163)**	(1,740)
Loss and total comprehensive expense for the period/year		**(44,148)**	(50,663)
Loss per share			
Basic and diluted (MOP cents)	12	**(71.68)**	(80.79)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	**At 31 March 2026 MOP'000**	At 31 December 2024 MOP'000
Non-current assets			
Property and equipment	13	**59**	1,159
Right-of-use assets	14	**433**	–
Investment in an associate	15	**5**	–
Deposits	17	**23**	23
		520	1,182
Current assets			
Trade receivables	16	**80,365**	78,850
Other receivables, deposits and prepayments	17	**39,053**	39,365
Contract assets	18	**1,745**	2,247
Amount due from a related party	21	**–**	23
Pledged bank deposits	19	**15,340**	15,340
Bank balances and cash	19	**1,323**	833
		137,826	136,658
Current liabilities			
Trade and other payables and accruals	20	**108,093**	93,456
Contract liabilities	18	**26,758**	26,758
Tax payable		**24,437**	24,437
Bank and other borrowings	22	**69,976**	51,707
Bank overdrafts	19	**6,589**	5,939
Lease liabilities	23	**429**	–
		236,282	202,297
Net current liabilities		**(98,456)**	(65,639)
Total assets less current liabilities		**(97,936)**	(64,457)
Non-current liabilities			
Bank and other borrowings	22	**6,116**	–
Lease liabilities	23	**54**	–
		6,170	–
NET LIABILITIES		**(104,106)**	(64,457)
CAPITAL AND RESERVES			
Share capital	24	**7,485**	6,237
Reserves		**(111,591)**	(70,694)
TOTAL DEFICIT		**(104,106)**	(64,457)

The consolidated financial statements on pages 62 to 119 were approved and authorised for issue by the Board of Directors on 30 June 2026 and are signed on its behalf by:

Kwan Hung Chun Curtus
DIRECTOR

Yau Yik Ming Leao
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the fifteen months ended 31 March 2026

	Attributable to owners of the Company							
	Share capital MOP'000	**Share premium** MOP'000	**Legal reserve** MOP'000 (Note (i))	**Other reserve** MOP'000 (Note (ii))	**Statutory surplus reserve** MOP'000 (Note (iii))	**Translation reserve** MOP'000	**Accumulated losses** MOP'000	**Total** MOP'000
At 1 January 2024	5,198	264,634	500	(75,121)	143	(788)	(210,449)	(15,883)
Issue of shares (note 24)	1,039	1,081	–	–	–	–	–	2,120
Transaction costs attributable to issue of shares	–	(31)	–	–	–	–	–	(31)
Loss for the year	–	–	–	–	–	–	(48,923)	(48,923)
Other comprehensive expense for the year	–	–	–	–	–	(1,740)	–	(1,740)
At 31 December 2024	6,237	265,684	500	(75,121)	143	(2,528)	(259,372)	(64,457)
Issue of shares (note 24)	1,248	3,618	–	–	–	–	–	4,866
Transaction costs attributable to issue of shares	–	(392)	–	–	–	–	–	(392)
Loss for the period	–	–	–	–	–	–	(43,985)	(43,985)
Other comprehensive expense for the period	–	–	–	–	–	(163)	–	(163)
Equity-settled share option arrangements	–	–	–	25	–	–	–	25
At 31 March 2026	7,485	268,910	500	(75,096)	143	(2,691)	(303,357)	(104,106)

Notes:

(i) In accordance with the Article 377 of the Commercial Code of Macau Special Administrative Region of the People's Republic of China ("**Macau**"), the Company registered in Macau is required to transfer part of its profits of each accounting period of not less than 25% to legal reserve, until the amount reaches half of its share capital.

(ii) Other reserve represents (i) the 99% of equity interest of Wai Hung Hong Decoration and Design Company Limited ("**WHHDD**"), a group company incorporated in Macau, transferred from Mr. Li Kam Hung ("**Mr. Li**"), the executive director and controlling shareholder of the Company, to Wai Hung Hong Engineering (Macau) Co., Limited ("**WHHE (Macau)**"), a group company incorporated in Macau and controlled by Mr. Li, at nil consideration prior to 1 January 2015. Since then, WHHDD has been owned as to 99% by WHHE (Macau) and 1% by Mr. Li; (ii) the transfer of 5% equity of WHHE (Macau) by Mr. Li to the then employee of the Group upon the issuance of share-based payments of WHHE (Macau) resulting a surplus of MOP1,671,000 crediting to other reserve; (iii) the acquisition of 5% WHHE (Macau) and 30% of YKDE from a non-controlling shareholder of these entities during the year ended 31 December 2018, resulting a credit of MOP932,000 crediting to other reserve; (iv) the difference between the aggregate amount of consideration payable to Mr. Li upon the reorganisation and (v) the difference between the aggregate amount of share capital of the Company issued and the net asset values of Loyal Auspicious and Splendor Haze in connection with the group reorganisation on 30 May 2018.

The share option reserve represents the cumulative expense recognized in respect of equity-settled share option arrangements granted under the share option scheme. During the fifteen months ended 31 March 2026, the Company granted 50,000,000 share options (before revision as a result of share consolidation on 24 April 2026) under the Scheme (note 26), and an expense of MOP25,000 was recognized during the period, with a corresponding credit to share option reserve. As at 31 March 2026, the balance of the share option reserve amounted to MOP25,000 (2025: Nil).

(iii) The entities established in the People's Republic of China (the "**PRC**") are required to appropriate 10% of its net profit, as determined under the China Accounting Standards for Business Enterprises (2006) and other relevant regulations issued by the Ministry of Finance of the PRC, to the statutory surplus reserve until the balance reaches 50% of the registered capital.

Subject to the approval of equity holders of the entities established in the PRC, statutory surplus reserve may be used to net off with accumulated losses, if any, and may be converted into capital, provided that the balance of statutory surplus reserve after such capitalisation is not less than 25% of the registered capital.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the fifteen months ended 31 March 2026

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
OPERATING ACTIVITIES		
Loss before taxation	**(43,985)**	(48,923)
Adjustments for:		
Depreciation on property and equipment	**1**	248
Depreciation of right-of-use assets	**702**	95
Share award expenses	**25**	–
Finance costs	**6,733**	7,668
Impairment loss recognised in respect of trade receivables, net	**12,362**	54,064
Impairment loss recognised/(reversed) in respect of other receivables, deposits and prepayments, net	**3,207**	(7,638)
Impairment loss recognised/(reversed) in respect of contract assets, net	**502**	(28,986)
Interest income	**–**	(2)
Write-off on property and equipment	**1,159**	–
Operating cash flows before movements in working capital	**(19,294)**	(23,474)
Increase in trade receivables	**(13,877)**	(37,816)
Increase in other receivables, deposits and prepayments	**(3,058)**	(1,727)
Decrease in contract assets/liabilities, net	**–**	59,724
Decrease in amount due from a related party	**23**	–
Increase in trade and other payables and accruals	**14,623**	3,353
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	**(21,583)**	60
INVESTING ACTIVITIES		
Bank interest received	**–**	2
Purchases of property and equipment	**(60)**	–
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	**(60)**	2

CONSOLIDATED STATEMENT OF CASH FLOWS

For the fifteen months ended 31 March 2026

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
FINANCING ACTIVITIES		
Repayment of bank and other borrowings	**(3,214)**	(4,759)
Interests paid	**–**	(715)
Repayment of lease liabilities	**(693)**	(97)
Transaction costs attributable for issue of shares	**(392)**	(31)
New other borrowings raised	**21,566**	–
Proceeds from issue of shares	**4,866**	2,120
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	**22,133**	(3,482)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**490**	(3,420)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR	**833**	(1,686)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR		
represented by		
Bank balances and cash	**1,323**	833
Bank overdrafts (Note 29)	**–**	(5,939)
	1,323	(5,106)

1. GENERAL INFORMATION

Zhongke Group Holdings Limited (formerly known as "Wai Hung Group Holdings Limited") (the "**Company**") is a public limited company incorporated in the Cayman Islands as an exempted company and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company's immediate and ultimate holding company is Copious Astute Limited ("**Copious Astute**"), a limited company incorporated in the British Virgin Islands ("**BVI**") with limited liability, and wholly-owned by Mr. Li Kam Hung ("**Mr. Li**"). The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal places of business of the Company in Hong Kong and Macau are Unit 14B, Silver Loft, 26 Cheung Lee Street, Chai Wan, Hong Kong and Alameda Dr. Carlos d'Assumpcao, No. 258 Praca Kin Heng Long, 16 Andar G–H, Macau, respectively.

The Company is principally engaged in investment holding and the principal activities of its subsidiaries (together with the Company collectively referred to as the "**Group**") are providing fitting-out services and repair and maintenance services in Macau and Hong Kong.

The consolidated financial statements are presented in Macau Pataca ("**MOP**"), which is also the functional currency of the Company and all values are rounded to the nearest thousand (MOP'000) except when otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

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 accounting 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 period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

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

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

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

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[3]
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]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HKFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures[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 HKFRS Accounting Standard 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.

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 consolidation 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.

As set out in the announcement of the Company issued on 5 January 2026, the financial year end date of the Company has been changed from 31 December to 31 March, commencing from the financial period ended 31 March 2026, in order to:

(i) align it with the fiscal year end date of the operating subsidiary of the Group, which is incorporated in Hong Kong and which accounts are statutorily required to be prepared with a financial year end date of 31 March;

(ii) avoid competition of resources with other listed companies with regard to results announcement and reports related external services under the peak reporting season in the market; and

(iii) better plan its audit schedules with its auditors by removing the uncertainty from the variation in the dates of the Chinese New Year Holiday which put pressure on the workflow.

Accordingly, the current accounting period covers a period of fifteen months from 1 January 2025 to 31 March 2026. The corresponding comparative figures presented for the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover the audited figures of the financial year from 1 January 2024 to 31 December 2024, and are therefore not entirely comparable with those shown for the current period.

3.2 Going concern basis

The Group incurred a loss of MOP43,985,000 for the fifteen months ended 31 March 2026 and, as of that date, the Group had net current liabilities and net liabilities of MOP98,456,000 and MOP104,106,000 respectively. In addition, the Group had bank and other borrowings and bank overdrafts in total of MOP76,565,000 which will be due for repayment within the next twelve months from the end of reporting period or repayable on demand, while its available bank balances and cash amounted to MOP1,323,000 and pledged bank deposits amounted to MOP15,340,000. Apart from the aforesaid, subsequent to 31 March 2026 and up to the date of approval of the consolidated financial statements, the Group did not repay principal and interest in total of approximately MOP63,574,000 for certain bank and other borrowings and bank overdrafts. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

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

3.2 Going concern basis (continued)

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

(i) Restructure of bank and other borrowings

As of 31 March 2026, the Group's bank and other borrowings repayable on demand or within one year, including those in default and accrued interests, amounted to approximately MOP63,574,000. The Group is in the progress of appointing a Macau lawyer to actively negotiating with the banks and the creditors to restructure these loans. The management is confident that the banks will consent to modifying the loan terms, thereby alleviating part of the Group's financial burden.

(ii) Collection of outstanding trade receivables

The Board is considering to adopt a more assertive approach to recover long-outstanding trade receivables. This includes measures such as filing statements of claims or winding-up petitions, subject to professional advice. These actions aim to expedite the recovery process and improve the Group's cash flow.

(iii) Cash inflow from operations

The Group is working to expand its operations in Hong Kong. The ultimate goal is to generate sufficient operating cash flow to reduce liabilities and support the Group's financial needs.

(iv) Fund raising activities

During the Reporting Period, the Company issued an aggregate of 121,116,000 new shares under the general mandate, generating net proceeds of approximately HK$4.61 million. These proceeds were utilized for general working capital and the repayment of the Group's loans.

On 7 November 2025, the Company issued a promissory note of HK$10 million to Mr. Song Yanyang prior to his appointment as an Executive Director of the Company. These funds were utilized for general working capital and direct costs associated with generating revenue for the Group.

The Company continues to explore various avenues to raise funds to meet the needs of the Group. The Board believes that, taking into account the above plans and measures, the Group will have sufficient working capital to satisfy its present requirements soon.

The Company will continue to take proactive measures so to resolve its liquidity issue and will publish an appropriate announcement if there is any material development in accordance with the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The directors of the Company have reviewed the Group's cash flow projections prepared by the management. The cash flow projections cover a period of not less than 15 months from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

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

3.2 Going concern basis (continued)

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

(a) the successful renewal and/or refinancing of its certain borrowings; and

(b) the successful and timely implementation of the plans to expand its operations into Hong Kong and control costs so as to generate adequate net cash inflows.

Should the Group failed to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

3.3 Material accounting policies

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.

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.

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

3.3 Material accounting policies (continued)

Investments in associates

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.

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

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, 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 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, 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 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 and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate 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.

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

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

3.3 Material accounting policies (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 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 overtime 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.

Revenue is measured based on the consideration specified in a contract with customer and excluded amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of service to a customer.

The Group recognises revenue from two major sources namely: 1) provision of fitting-out services; and 2) repair and maintenance services.

Provision of fitting-out services and repair and maintenance services

Recognition

The Group provides fitting-out services and repair and maintenance services under contracts with customers. Such contracts are entered into before the fitting-out services and repair and maintenance services begin. Under the terms of the contracts, the Group's performance creates or enhances an asset that the customers controls which referred as the designated areas where the fitting-out services and repair and maintenance services performed. Revenue from provision of fitting-out and repair and maintenance services is therefore recognised over time, using the input method. Revenue is recognised for these services based on the stage of completion of the contract. The directors of the Company have assessed that the stage of completion determined as the proportion of the costs incurred for the works (i.e. subcontracting costs, materials costs and direct staff costs incurred) performed to date relative to the estimated total costs to complete the satisfaction of these services and the margin of each project, to the extent that the amount can be measured reliably and its recovery is considered probable.

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

3.3 Material accounting policies (continued)

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property 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 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 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.

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.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of offices, staff quarters and carpark lots that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases 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.

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

3.3 Material accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets

The cost of right-of-use asset 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 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.

Lease liabilities

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

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

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

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

3.3 Material accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

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 renewal of leases in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

Lease modifications

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

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

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

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

3.3 Material accounting policies (continued)

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

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

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

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

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

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

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

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

3.3 Material accounting policies (continued)

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.

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.: MOP) 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, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

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), 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.

Borrowing costs

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

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

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

3.3 Material accounting policies (continued)

Equity-settled share-based payment transactions

Share awards/Share options granted to employee

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 (other 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 other reserve. For shares/share options that vest immediately at the date of grant, the fair value of the shares/share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in other reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in other reserve will continue to be held in other reserve.

When share awards granted are vested, the amount previously recognised in other reserve will be transferred to share premium.

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme ("**MPF Scheme**") in Hong Kong and the Social Security Fund Contribution in Macau 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 Standard 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 and annual leave) after deducting any amount already paid.

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

3.3 Material accounting policies (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 profit/(loss) before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, 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.

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

3.3 Material accounting policies (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.

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).

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 “Revenue from Contracts with Customers” (“**HKFRS 15**”). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (“**FVTPL**”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

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

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

3.3 Material accounting policies (continued)

Financial instruments (continued)

Financial assets

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

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.

Amortised cost and interest income

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

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

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

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

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

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

3.3 Material accounting policies (continued)

Financial instruments (continued)

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

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has 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.

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, 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 the 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 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.

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

3.3 Material accounting policies (continued)

Financial instruments (continued)

Significant increase in credit risk (continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

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

Definition of default

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

Irrespective of the above, the Group considers that default has occurred when the 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.

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 the financial assets have been occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer of the borrower; or
- A breach of contract, such as a default or past due event; or
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

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

3.3 Material accounting policies (continued)

Financial instruments (continued)

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. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice when appropriate. A write-off constitutes a derecognition. Any recoveries are recognised in profit or loss.

Measurement and recognition of ECL

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

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

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount 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.

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.

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

3.3 Material accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement 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 at amortised cost

Financial liabilities including trade and other payables and accruals, amounts due to related parties, bank borrowings and bank overdrafts 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.

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 judgments, 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 estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Fitting-out contracts

The Group reviews and revises the estimated total costs to complete the satisfaction of these services and the margin of each project as the contract progresses. Budgeted costs and margin are prepared by the management of the Group on the basis of agreements, quotations or other correspondences from time to time provided by the subcontractors, suppliers or vendors involved and the experience of the management of the Group. In order to keep the budget accurate and up-to-date, the management of the Group conducts periodic reviews of the budgets of contracts by comparing the budgeted amounts to the actual amounts incurred. Such significant estimate may have impact on the profit recognised in each period.

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

Fitting-out contracts (continued)

Recognised amounts of revenue from fitting-out contracts and related receivables reflect the management's best estimate of each contract's outcome and stage of completion, which are determined on the basis of a number of estimates. This includes the assessment of the profitability of on-going fitting-out contracts. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty, the actual outcomes in terms of total cost may be higher or lower than estimated at the end of each reporting period, which would affect the revenue and profit recognised in future years and adjustment to the amounts recorded to date.

Details of revenue recognised during the period/year are set out in note 5.

ECL for trade receivable and contract assets

Trade receivables and contract assets with significant balances and credit-impaired are assessed for ECL individually.

In addition, for trade receivables and contract assets which are individually insignificant or when the Group does not have reasonable and supportable information that is available without undue cost or effort to measure ECL on individual basis, collective assessment is performed by grouping debtors based on the Group's internal credit ratings. The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in note 16 and note 18 respectively.

ECL for other receivables, deposits and prepayments

The amounts of ECLs on other receivables, deposits and prepayments are calculated by management using an internal credit rating model. The provision ratio is determined on the creditworthiness and financial condition of each debtor, while the historical default rate and the forward looking data of the market environment were considered also.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of fitting-out and repair and maintenance service by the Group to external customers. The Group's revenue is mainly derived from provision of fitting-out services and repair and maintenance services in Macau and Hong Kong.

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Revenue

Timing of revenue recognition and category of revenue

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
Recognised over time and short-term contracts:		
– provision of fitting-out services	**30,961**	8,595
Recognised over time and long-term contracts:		
– provision of repair and maintenance services	**–**	235
	30,961	8,830

Geographical information

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
Macau	**3,324**	8,527
Hong Kong	**27,637**	303
	30,961	8,830

The customers of the Group are individual customers in Macau and Hong Kong. All of the Group's provision of fitting-out services and repair and maintenance services are made directly with the customers. Contracts with the Group's customers are mainly fixed-price contracts.

The Group provides fitting-out and repair and maintenance services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these fitting-out and repair and maintenance services based on the stage of completion of the contract using input method.

The Group's fitting-out and repair and maintenance 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 up to 10% of total contract sum, when the Group receives a deposit before fitting-out and repair and maintenance service 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 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.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which is usually about one year from the date of the practical completion of the fitting-out and repair and maintenance service. 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 construction services performed comply with agreed-upon specifications and such assurance cannot be purchased separately.

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Revenue (continued)

Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of each reporting period.

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
Provision of fitting-out services	**–**	883

Based on the information available to the Group at the end of each reporting period, the directors of the Company expect the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts in respect of provision of fitting-out and repair and maintenance services as of 31 March 2026 will be recognised as revenue during the year ending 31 March 2027 (year ended 31 December 2024: was recognised as revenue during the year ended 31 December 2025).

Segment information

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

Specifically, the Group's reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

- fitting-out services; and
- repair and maintenance services.

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

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (continued)

Segment revenue and results

Fifteen months ended 31 March 2026

	Fitting-out services MOP'000	Repair and maintenance services MOP'000	Total MOP'000
Segment revenue	**30,961**	**–**	**30,961**
Segment results	**(12,596)**	**–**	**(12,596)**
Other income and other losses			**(1,081)**
Administrative expenses			**(23,575)**
Finance costs			**(6,733)**
Loss before taxation			**(43,985)**

Year ended 31 December 2024

	Fitting-out services MOP'000	Repair and maintenance services MOP'000	Total MOP'000
Segment revenue	8,595	235	8,830
Segment results	(22,288)	68	(22,220)
Other income and other losses			79
Administrative expenses			(19,114)
Finance costs			(7,668)
Loss before taxation			(48,923)

Segment results mainly represented profit earned by each segment, excluding unallocated other income and other losses, unallocated administrative expenses and finance costs.

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (continued)

Geographical information

The Group's operations are mainly carried out in Macau and Hong Kong.

The Group's revenue from external customers based on the location of projects are set out below:

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
Macau	**3,324**	8,527
Hong Kong	**27,637**	303
	30,961	8,830

The Group's non-current assets (other than financial assets) by geographical location of the assets are detailed below:

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
Macau	**5**	204
Hong Kong	**492**	955
	497	1,159

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the period/year is as follows:

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
Revenue from fitting-out services		
Customer A	**27,637**	N/A[1]
Customer B	**N/A[1]**	3,113
Customer C	**N/A[1]**	3,388
Customer D	**N/A[1]**	1,453

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

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

(a) Directors' and chief executive's emoluments

Emoluments paid or payable by the Company or its subsidiaries undertakings to the directors of the Company during the period/year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is set out below:

	Fees MOP'000	Equity-settled share option expense MOP'000	Salaries and other benefits MOP'000	Retirement benefits schemes contributions MOP'000	Total emoluments MOP'000
Fifteen months ended 31 March 2026					
Executive Directors					
Mr. Yau Yik Ming Leao (Chief Executive Officer)	–	3	309	9	321
Mr. Li Kam Hung (suspension of duties since 19 August 2024)	–	–	103	–	103
Mr. Yu Ming Ho (suspension of duties since 19 August 2024)	–	–	1,032	23	1,055
Ms. Chen Jianyu (appointed on 12 March 2025)	–	1	260	–	261
Mr. Kwan Hung Chun Curtus (appointed on 2 May 2025)	–	1	226	9	236
Mr. Song Yanyang (appointed on 2 December 2025)	–	3	82	–	85
Ms. Bohra Shilpa Rajesh (resigned on 12 March 2025)	–	–	49	–	49
Mr. Loke Mun Foo (resigned on 2 April 2025)	–	–	62	–	62
Dr. Chew Chee Wah (resigned on 2 May 2025)	–	–	83	–	83
Mr. Au Chi Fung (resigned on 16 July 2025)	–	–	134	–	134
Subtotal	–	8	2,340	41	2,389
Non-Executive Director					
Mr. Li Chun Ho (Chairman)	124	–	–	–	124
Independent Non-Executive Directors					
Mr. Tam Tsz Hin (appointed on 16 July 2025)	88	–	–	–	88
Mr. Yu Kwan Tseung, Alvin (appointed on 16 July 2025)	88	–	–	–	88
Mr. Yuan Fangjun (appointed on 30 January 2026)	21	–	–	–	21
Mr. Zhou Zhengcheng (appointed on 30 January 2026)	21	–	–	–	21
Ms. Mak Wei Ting Josephine (appointed on 12 March 2025 and resigned on 16 July 2025)	43	–	–	–	43
Mr. Ng Brian Hong Jing (appointed on 2 May 2025 and resigned on 16 July 2025)	25	–	–	–	25
Ms. Tung Ching (appointed on 2 May 2025 and resigned on 31 October 2025)	61	–	–	–	61
Mr. Lum Pak Sum (resigned on 2 May 2025)	42	–	–	–	42
Mr. Lai Chi Leung (resigned on 2 June 2025)	52	–	–	–	52
Mr. Koh Kwing Chang (resigned on 2 June 2025)	52	–	–	–	52
Subtotal	493	–	–	–	493
Total	617	8	2,340	41	3,006

6. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

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

	Fees MOP'000	Equity-settled share option expense MOP'000	Salaries and other benefits MOP'000	Retirement benefits schemes contributions MOP'000	Total emoluments MOP'000
Year ended 31 December 2024					
Executive Directors					
Mr. Yau Yik Ming Leao (Chief Executive Officer)	–	–	41	–	41
Mr. Li Kam Hung (suspension of duties since 19 August 2024)	–	–	–	–	–
Mr. Yu Ming Ho (suspension of duties since 19 August 2024)	–	–	1,167	37	1,204
Ms. Bohra Shilpa Rajesh	–	–	41	–	41
Mr. Loke Mun Foo	–	–	41	–	41
Dr. Chew Chee Wah	–	–	62	–	62
Mr. Au Chi Fung	–	–	82	–	82
Mr. Yau Yan Ming Raymond (resigned on 4 November 2024)	–	–	412	–	412
Subtotal	–	–	1,846	37	1,883
Non-Executive Director					
Mr. Li Chun Ho (Chairman)	124	–	–	–	124
Independent Non-Executive Directors					
Mr. Lum Pak Sum	21	–	–	–	21
Mr. Lai Chi Leung	31	–	–	–	31
Mr. Koh Kwing Chang	31	–	–	–	31
Mr. Wu Chou Kit (resigned on 1 October 2024)	103	–	–	–	103
Mr. Lam Chi Wing (resigned on 12 September 2024)	98	–	–	–	98
Ms. Botelho dos Santos Rita (resigned on 14 October 2024)	98	–	–	–	98
Subtotal	382	–	–	–	382
Total	506	–	1,846	37	2,389

6. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

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

The executive directors' emoluments are for their services in connection with the management of the affairs of the Group. The emoluments of non-executive director and the independent non-executive directors are for their services as directors of the Company.

During both period/year, no remuneration was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company has waived any remuneration during both period/year.

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, two (year ended 31 December 2024: one) were the directors of the Company for the fifteen months ended 31 March 2026. Their emoluments are included in note 6(a) above. The emoluments of the remaining three (year ended 31 December 2024: four) non-director individuals for the fifteen months ended 31 March 2026 are as follows:

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
Salaries and other benefits	**1,736**	3,306
Retirement benefits schemes contributions	**56**	59
	1,792	3,365

	Fifteen months ended 31 March 2026 Number of employee	Year ended 31 December 2024 Number of employee
HK$Nil to HK$1,000,000	**3**	4
HK$1,000,001 to HK$1,500,000	**–**	–
HK$1,500,001 to HK$2,000,000	**–**	–
	3	4

During both period/year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

7. OTHER INCOME AND OTHER LOSSES

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
Other income		
Bank interest income	**–**	2
Others	**78**	77
	78	79
Other losses		
Write-off on property and equipment	**(1,159)**	–
	(1,081)	79

8. FINANCE COSTS

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
Interests on bank and other borrowings and bank overdrafts	**6,683**	7,667
Interest on lease liabilities	**50**	1
	6,733	7,668

9. LOSS BEFORE TAXATION

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
Loss before taxation has been arrived at after charging:		
Auditor's remuneration	**1,030**	1,082
Depreciation on property and equipment	**1**	248
Depreciation of right-of-use assets	**702**	95
Staff costs (including directors' emoluments):		
Salaries and other benefits	**8,173**	14,314
Retirement benefits schemes contributions	**175**	177
Equity-based payment	**25**	–
	8,373	14,491
Less: staff costs included in direct costs	**–**	(6,612)
	8,373	7,879

10. INCOME TAX EXPENSE

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
Current Tax:		
Hong Kong	**–**	–
Enterprise Income Tax	**–**	–
Other tax	**–**	–
	–	–

No provision for Macau Complementary Tax is provided for both period/year as the Company and its subsidiaries do not have assessable profits for the period/year ended. Macau Complementary Tax is calculated at 12% of the estimated assessable profits exceeding MOP600,000.

No provision for Hong Kong Profits Tax has been made for the fifteen months ended 31 March 2026 as the Group had no assessable profit arising in Hong Kong during the period (2024: Nil). 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.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC group entity is 25% for both period/year.

Under the PRC law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained earnings of the PRC subsidiary amounting to approximately MOP926,000 (as at 31 December 2024: MOP926,000) as at 31 March 2026, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The income tax expense can be reconciled to the loss before taxation as follows:

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
Loss before taxation	**(43,985)**	(48,923)
Tax at the Macau Complementary Income Tax of 12%	**(5,278)**	(5,871)
Tax effect of expense not deductible for tax propose	**(1,929)**	(2,093)
Tax effect tax losses not recognised	**6,234**	8,501
Effect of different tax rates of subsidiaries operating in other jurisdiction	**973**	(537)
Income tax expense	**–**	–

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the fifteen months ended 31 March 2026, nor has any dividend been proposed since the end of the reporting period (year ended 31 December 2024: nil).

12. LOSS PER SHARE

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

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
Loss:		
Loss for the purpose of calculating basic and diluted loss per share (loss for the period/year attributable to owners of the Company)	**(43,985)**	(48,923)

	Fifteen months ended 31 March 2026 '000	Year ended 31 December 2024 '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**61,365**	60,558

The weighted average number of ordinary shares for the fifteen months ended 31 March 2026 and comparative figures for the weighted average number of ordinary shares for the year ended 31 December 2024 for the purpose of basic and diluted loss per share has been adjusted retrospectively for the share consolidation on the basis that every ten issued existing shares to be consolidated into one consolidated share which was effective on 22 April 2026.

The computation of diluted loss per share for the fifteen months ended 31 March 2026 does not assume the conversion of the Company's outstanding share options since their exercise would result in a decrease in loss per share. There were no potential ordinary shares in issue during the year ended 31 December 2024.

13. PROPERTY AND EQUIPMENT

	Leasehold improvements MOP'000	Furniture and fixtures MOP'000	Office equipment MOP'000	Motor vehicles MOP'000	Total MOP'000
COST					
At 1 January 2024	1,017	776	3,006	2,617	7,416
Additions	–	–	–	–	–
At 31 December 2024	1,017	776	3,006	2,617	7,416
Additions	–	–	60	–	60
Write-offs	(1,017)	(776)	(3,006)	(2,617)	(7,416)
At 31 March 2026	–	–	60	–	60
DEPRECIATION					
At 1 January 2024	709	756	2,919	1,625	6,009
Provided for the year	18	12	74	144	248
At 31 December 2024	727	768	2,993	1,769	6,257
Provided for the period	–	–	1	–	1
Write-offs	(727)	(768)	(2,993)	(1,769)	(6,257)
At 31 March 2026	–	–	1	–	1
CARRYING AMOUNTS					
At 31 March 2026	–	–	59	–	59
At 31 December 2024	290	8	13	848	1,159

The above items of property and equipment after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	over the lease terms
Furniture and fixtures	20%
Office equipment	20%
Motor Vehicles	10-15%

14. RIGHT-OF-USE ASSETS

	Leased properties MOP'000
As at 31 March 2026	
Carrying amount	433
As at 31 December 2024	
Carrying amount	–
For the fifteen months ended 31 March 2026	
Depreciation charge	702
For the year ended 31 December 2024	
Depreciation charge	95

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000
Expense relating to short-term leases	**158**	–
Total cash outflow for leases	**693**	98
Additions to right-of-use assets	**1,135**	–

For both period/year, the Group leases various offices, staff quarters and parking lots for its operations. Lease contracts are entered into for fixed term of 1 to 2 years. 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 offices, staff quarters and carpark lots. As at 31 March 2026 and 31 December 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

15. INVESTMENT IN AN ASSOCIATE

The Group had an investment in an associate with a carrying amount of MOP5,000 as at 31 March 2026 (2024: Nil), which was newly incorporated during the year and is accounted for using the equity method. The associate is not material to the Group's financial position or results and, therefore, no further disclosures are presented.

16. TRADE RECEIVABLES

The Group grants credit terms of 30 days to its customers from the date of invoices on progress payments of contract works. An ageing analysis of the trade receivables presented based on the invoice date which is approximately one month after the related revenue being recognised, at the end of each reporting period is as follows:

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000
0–30 days	**14,474**	176
31–60 days	**–**	3,068
61–90 days	**3,826**	–
91–365 days	**–**	38,478
Over 365 days	**82,085**	123,356
	100,385	165,078
Less: Impairment loss allowance	**(20,020)**	(86,228)
	80,365	78,850

As at 1 January 2024, trade receivables from contract with customers amounted to MOP95,098,000.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributable to customers are reviewed regularly.

Impairment assessment on trade receivables subject to ECL model

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The debtors are classified into three internal credit rating buckets by reference to past default of the debtor, and an analysis of the debtor's current financial position. The following table provides information about the exposure to credit risk and ECL for trade receivables which are assessed at the end of the reporting period.

As at 31 March 2026

Internal credit rating	**Average loss rate**	**Gross carrying amount MOP'000**	**Impairment loss allowance MOP'000**
Low risk	**1.48%**	**20,593**	**304**
Doubtful	**24.71%**	**79,792**	**19,716**
Loss	**100%**	**–**	**–**
		100,385	**20,020**

16. TRADE RECEIVABLES (CONTINUED)

Impairment assessment on trade receivables subject to ECL model (continued)

As at 31 December 2024

Internal credit rating	Average loss rate	Gross carrying amount MOP'000	Impairment loss allowance MOP'000
Low risk	2.84%	176	5
Doubtful	9%	86,332	7,653
Loss	100%	78,570	78,570
		165,078	86,228

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and study of other corporates' default and recovery data from international credit-rating agencies, and are adjusted for forward-looking information that is available without undue cost or effort. The internal credit rating is regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated.

There has been no change in the estimation techniques or significant assumptions made during both period/year.

During the fifteen months ended 31 March 2026, the Group provided impairment losses allowance of MOP12,362,000 (year ended 31 December 2024: provided impairment losses allowance of MOP54,064,000).

The movement in the impairment loss allowance of trade receivables during the period/year is as follows:

	Credit-impaired MOP'000	**Not credit-impaired** MOP'000
Balance at 1 January 2024	20,444	11,720
Impairment losses allowance recognised/(reversed), net	58,126	(4,062)
Balance at 1 January 2025	78,570	7,658
Impairment losses allowance recognised, net	–	12,362
Write-offs	(78,570)	–
Balance at 31 March 2026	–	20,020

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000
Rental deposits	**449**	428
Deposits paid for tenders	**36,990**	41,879
Prepayments to sub-contractors	**972**	930
Other receivables and prepayments	**5,080**	2,280
	43,491	45,517
Less: Impairment losses allowance	**(4,415)**	(6,129)
Total	**39,076**	39,388
Presented as non-current assets	**23**	23
Presented as current assets	**39,053**	39,365
Total	**39,076**	39,388

The financial assets included in the above balances were categorized in stage 1, 2 and 3 for the measurement of ECL, where applicable, an impairment analysis is performed at each reporting date by considering the probability of default and the timing and amounts of future cash flows.

Other receivables mainly represent deposits with contractors which are unsecured, non-interest-bearing and repayable on demand.

The movements in impairment allowance of other receivables, deposits and prepayments are as follows:

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000
At the beginning of the period/year	**6,129**	13,767
Impairment loss recognised/(reversed), net	**3,207**	(7,638)
Write-offs	**(4,921)**	–
At the end of the period/year	**4,415**	6,129

ECL on the other receivables, deposits and prepayments balances are estimated by a loss rate approach with reference to the historical loss record of the Group and the amount payable to the relevant contractors for the Group's fitting out projects. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate as at 31 March 2026 was 10.15% (2024: 13.47%).

18. CONTRACT ASSETS AND CONTRACT LIABILITIES

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000
Contract assets		
Fitting-out services	**2,318**	2,318
	2,318	2,318
Less: Impairment loss allowance	**(573)**	(71)
	1,745	2,247
Contract liabilities		
Fitting-out services	**26,758**	26,758

As at 1 January 2024, contract assets and contract liabilities amounted to MOP20,409,000 and MOP14,182,000, respectively.

The Group has rights to considerations from customers for the provision of fitting-out services. Contract assets arise when the Group has right to consideration for completion of fitting-out services and not yet billed under the relevant contracts, and their right is conditioned on factors other than passage of time. Any amount previously recognised as a contract asset is reclassified to trade receivables when such right becomes unconditional other than the passage of time. Remaining rights and performance obligations in a particular contract is accounted for and presented on a net basis, as either a contract asset or a contract liability. If the progress payment exceeds the revenue recognised to date under the input method, then the Group recognises a contract liability for the difference.

The Group also requires certain customers to provide upfront deposits up to 10% of total contract sum, when the Group receives a deposit before fitting-out service 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.

18. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

Impairment assessment on contract assets subject to ECL model

The Group applies simplified approach to provide for ECL prescribed by HKFRS 9. To measure the ECL of contract assets, contract assets have been assessed on individual basis.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The debtors are classified into three internal credit rating buckets based on shared credit risk characteristics by reference to past experience with debtors, and an analysis of the debtors' current financial position. The following table provides information about the exposure to credit risk and ECL for contract assets at the end of the reporting period.

As at 31 March 2026

Internal credit rating	**Average loss rate**	**Gross carrying amount MOP'000**	**Impairment loss allowance MOP'000**
Low risk	**24.71%**	**2,318**	**573**
Doubtful	**–**	**–**	**–**
Loss	**–**	**–**	**–**
		2,318	**573**

As at 31 December 2024

Internal credit rating	Average loss rate	Gross carrying amount MOP'000	Impairment loss allowance MOP'000
Low risk	3%	2,318	71
Doubtful	–	–	–
Loss	–	–	–
		2,318	71

18. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

Impairment assessment on contract assets subject to ECL model (continued)

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and study of other corporates' default and recovery data from international credit-rating agencies, and are adjusted for forward-looking information that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date. The internal credit rating is regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated.

There has been no change in the estimation techniques or significant assumptions made during both period/year.

During the fifteen months ended 31 March 2026, the Group provided impairment losses allowance of MOP502,000 (year ended 31 December 2024: provided reversal of impairment losses allowance of MOP28,986,000).

The movement in the impairment loss allowance of contract assets during the period/year is as follows:

	Credit-impaired MOP'000	**Not credit-impaired** MOP'000
Balance at 1 January 2024	25,787	3,270
Impairment loss allowance recognised, net of reversal	(25,787)	(3,199)
Balance at 1 January 2025	–	71
Impairment losses allowance recognised, net of reversal		502
Balance at 31 March 2026	–	573

Included in carrying amounts of contract assets/contract liabilities as stated above comprises retention receivables of MOP2,700,000 (as at 31 December 2024: MOP2,700,000) as at 31 March 2026.

Retention receivables is unsecured and interest-free and represented the monies withheld by customers of contract works recoverable after the completion of defects liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, usually being 1 year from the date of completion of respective fitting-out services projects. Accordingly, in respect to the incomplete project as at the end of each reporting period, the respective retention receivables is expected to be recovered beyond twelve months from the end of each reporting period.

The retention receivables is to be settled, based on the completion of defects liability period, at the end of each reporting period as follows:

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000
On demand or within one year	**2,700**	2,380
After one year	**–**	320
	2,700	2,700

19. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH/BANK OVERDRAFTS

Pledged bank deposits as at 31 March 2026 are pledged to secure the bank overdrafts and bank borrowings of the Group which carry interest at prevailing market rate of 0.01% (as at 31 December 2024: 0.01%) per annum.

As at 31 March 2026, bank balances and cash comprise of cash held and short term bank deposits with an original maturity of three months or less which carry interest at prevailing market rate of 0.01% (as at 31 December 2024: 0.01%) per annum.

As at 31 March 2026, bank overdrafts carry interest at market rate of 5.8% (as at 31 December 2024: 5.8%) per annum.

Details of impairment assessment of pledged bank deposits and bank balances and cash are set out in note 28.

20. TRADE AND OTHER PAYABLES AND ACCRUALS

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000
Trade payables	**30,247**	17,418
Retention payables	**22,980**	22,980
Accruals and other payables	**26,569**	25,837
Amount due to a shareholder (Note (i))	**4,228**	4,228
Amounts due to directors (Note (ii))	**24,069**	22,993
	108,093	93,456

Notes:

(i) Amount represented the amount due to a shareholder, Mr. Loke Che Chan Gilbert, which was unsecured, interest-free and repayable on demand.

(ii) Amounts represented the amounts due to Mr. Li, and Mr. Yu Ming Ho, which were unsecured, interest-free and repayable on demand.

The credit period grants to the Group by subcontractors/suppliers normally being 0–30 days. The following is an ageing analysis of trade payables based on the invoice date at the end of each reporting period:

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000
0–30 days	**13,124**	–
31–60 days	**–**	–
61–90 days	**–**	–
Over 90 days	**17,123**	17,418
	30,247	17,418

Retention payables to subcontractors are interest-free and payable at the end of the defects liability period of individual contracts (i.e. one year after completion of respective project). All retention payables are expected to be settled within one year based on the expiry date of the defects liability period.

21. AMOUNTS DUE FROM A RELATED PARTY

Details of amounts due from a related party is stated as follows:

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000	As at 1 January 2024 MOP'000	**Maximum amount outstanding during the fifteen months ended 31 March 2026 MOP'000**	Maximum amount outstanding during the year ended 31 December 2024 MOP'000
Ms. Ng Suk Fun ("**Ms. Ng**") (Note)	**–**	23	23	**23**	23

Notes: The balance represents the rental deposit for Hong Kong office which is wholly owned by Ms. Ng, who is the spouse of Mr. Li.

22. BANK AND OTHER BORROWINGS

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000
Current		
Bank loans – secured (Note (i))	**12,933**	51,707
Other loans – secured (Note (i))	**44,052**	–
Other loans – unsecured (Note (ii))	**2,346**	–
Interest-bearing promissory note – unsecured (Note (iii))	**10,645**	–
Total current	**69,976**	51,707
Non-current		
Other loans – unsecured (Note (iv))	**6,116**	–
Total	**76,092**	51,707

Notes:

(i) The bank borrowings are at floating rate which carry interest at MOP and HK$ prime lending rate plus/minus a spread. The effective interest rate on the Group's bank borrowings was 5.4% (2024: 6%) per annum during the fifteen months ended 31 March 2026. The bank borrowings and other bank facilities including performance guarantee by the Group are secured by the pledged bank deposits of HK$14,893,000 (approximately equivalent to MOP15,340,000) (as at 31 December 2024: HK$14,893,000 (approximately equivalent to MOP15,340,000)) as at 31 March 2026.

On 23 December 2025, bank borrowing of MOP39,934,000 were assigned by Macau Chinese Bank Limited to Nanyue Aohua Management Limited under a debt assignment agreement. The Group has been notified and is obligated to repay the new creditor. Interest and other charges continue to accrue per the original loan terms.

(ii) On 22 December 2025, the Group entered into a loan agreement with a former shareholder, Mr. Lee Cheong Sun, for a loan bearing interest at 5% per annum and repayable on demand.

(iii) On 7 November 2025, the Company issued a promissory note with an aggregate principal amount of HK$10,000,000 to Mr. Song Yanyang, prior to his appointment as an executive director of the Company. The promissory note bears interest at 8.5% per annum, which is unsecured and matures on 7 November 2026. As at reporting date, Mr. Song Yanyang is an executive director of the Company.

(iv) On 4 February 2026, the Group entered into a loan agreement with Ms. Chen Jianyu, an executive director of the Company, for a loan bearing interest at 6% per annum and repayable on 3 February 2028.

During the fifteen months ended 31 March 2026, in respect of bank and other borrowings and bank overdrafts with a carrying amount of approximately MOP63,574,000 as at 31 March 2026, the Group was default in repayment. Thus, the relevant bank and other borrowings and bank overdrafts become immediately due and payable should the lenders exercise their rights under the loan agreements. The directors of the Company commenced to discuss the terms of the borrowings with the relevant banks and creditors. Up to the date of approval for issuance of the consolidated financial statements, the negotiations are still in progress.

23. LEASE LIABILITIES

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000
Lease liabilities payable:		
Within one year	**429**	–
Within a period of more than one year but not more than two years	**54**	–
	483	–
Less: Amount due for settlement with 12 months shown under current liabilities	**(429)**	–
Amount due for settlement after 12 months shown under non-current liabilities	**54**	–

The weighted average incremental borrowing rates applied to lease liabilities at 6% (year ended 31 December 2024: 4%).

Lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	HK$ MOP'000
As at 31 March 2026	483
As at 31 December 2024	–

24. SHARE CAPITAL

		Amount	
	No. of shares	**MOP**	**MOP'000**
Ordinary shares of HK$0.01 each			
Authorised:			
At 1 January 2024, 31 December 2024 and 31 March 2026	1,000,000,000	10,300,000	10,300
Issued and fully paid:			
At 1 January 2024	504,650,000	5,198,000	5,198
Issue of shares (Note (i))	100,930,000	1,039,000	1,039
At 31 December 2024 and 1 January 2025	605,580,000	6,237,000	6,237
Issue of shares (Note (ii))	121,116,000	1,248,000	1,248
At 31 March 2026	726,696,000	7,485,000	7,485

24. SHARE CAPITAL (CONTINUED)

Notes:

(i) On 16 September 2024, the Company entered into a placing agreement to place up to 100,930,000 placing shares at HK$0.02 per share to not less than six independent placees. The placing price represented a discount of 20% to the closing price on the date of the agreement and approximately 18.7% to the average closing price over the preceding five trading days. On 7 October 2024, the placing was completed, with all 100,930,000 placing shares placed to Mr. Loke Che Chan Gilbert, an independent third party who became a substantial shareholder upon completion. The placing shares represented 20% of the Company's existing issued share capital at the date of the agreement and approximately 16.67% of the enlarged issued share capital of 605,580,000 shares.

(ii) On 3 March 2026, the Company entered into a placing agreement to place up to 121,116,000 placing shares at HK$0.039 per share to not less than six independent placees. The placing price represented a discount of approximately 15.22% to the closing price on the date of the agreement and approximately 18.75% to the average closing price over the preceding five trading days. On 20 March 2026, the placing was completed, with all 121,116,000 placing shares placed to not less than six placees. The placing shares represented 20% of the Company's existing issued share capital at the date of the agreement and approximately 16.67% of the enlarged issued share capital of 726,696,000 shares.

25. RETIREMENT BENEFITS SCHEMES

Eligible employees of the Group are covered by a government-mandated defined contribution plan pursuant to which a fixed amount of retirement benefit would be determined and paid by the Macau Government. Contributions are generally made by both employees and employers by paying a fixed amount on a monthly basis to the Social Security Fund Contribution managed by the Macau Government. The Group funds the entire contribution and has no further commitments beyond its monthly contributions.

The Group operates the MPF Scheme for all qualifying employee(s) in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes at the lower of HK$1,500 per month or 5% of the relevant payroll costs to the MPF Scheme.

At the end of each reporting period, there were no forfeited contributions which arose upon employees leaving the schemes prior to their interests in the Group’s contributions becoming fully vested and which are available to reduce the contributions payable by the Group in future years.

The contributions to the retirement benefits schemes of the Group during both period/year are disclosed in notes 6 and 9, respectively.

26. SHARE-BASED PAYMENT TRANSACTIONS

The Company adopted a share option scheme (the “Scheme”) on 18 March 2019, which aims to provide incentive to directors and eligible participants who contribute to the Group. Under the Scheme, options may be granted to eligible participants (as defined in the Share Option Scheme) to subscribe for shares of the Company.

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

Options granted must be taken up within 28 days of the date of grant, upon payment of HK$1 per option. Options may be exercised in accordance with the terms of the Scheme at any time during a period to be determined and notified by the board of directors to each participant, provided that the period within which the option must be exercised shall not be more than 10 years from the date of the grant. The exercise price is determined by the directors and will not be less than the higher of: (i) the closing price of the Company’s shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company’s shares.

26. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Options Granted During the Fifteen Months

During the fifteen months ended 31 March 2026, the Company granted options under the Scheme. Details of the grant are as follows:

Date of grant	20 March 2026
Number of share options granted	50,000,000
Exercise price	HK$0.049 per share
Closing price of shares on date of grant	HK$0.047 per share
Vesting date	First anniversary of the date of grant
Exercise period	From vesting date up to the tenth anniversary of the date of grant
Performance targets	None

The exercise price of HK$0.049 per share is the highest of: (i) the nominal value of HK$0.01; (ii) the closing price of HK$0.047 on the date of grant; and (iii) the average closing price of HK$0.049 for the five business days immediately preceding the date of grant.

Movement of Share Options

	Number of share options
Outstanding at 1 January 2025	–
Granted during the period	50,000,000
Forfeited/lapsed during the period	–
Exercised during the period	–
Outstanding at 31 March 2026	50,000,000

Options Granted to Directors and Chief Financial Officer

Out of the 50,000,000 options granted, 24,000,000 options were granted to the following directors and the chief financial officer of the Company:

Name	**Position**	**Number of options granted**
Mr. Yau Yik Ming Leao	Executive Director	6,000,000
Mr. Song Yanyang	Executive Director	6,000,000
Ms. Chen Jianyu	Executive Director	3,000,000
Mr. Kwan Hung Chun Curtus	Executive Director	3,000,000
Mr. Cheung Tai Chi	Chief Financial Officer	6,000,000

The grant of options to the above directors was approved by the independent non-executive directors in accordance with Listing Rule 17.04(1).

26. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Plan Mandate Limit

Following the above grant, no further shares are available for future grants under the Scheme's existing mandate limit.

Fair Value Measurement

The fair value was calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

	2026
Weighted average share price	HK$0.049
Exercise price	HK$0.049
Expected volatility	82.887%
Expected life	10 years
Risk-free rate	2.866%
Expected dividend yield	0%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 1 year. The expected life used in the model has been adjusted, based on the valuer's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The above mentioned granted shares, weighted average share price and exercise price will be revised pursuant to the share consolidation on 24 April 2026.

The Group recognised the total expense of MOP25,000 for the fifteen months ended 31 March 2026 (2024: Nil) in relation to share options granted by the Company.

27. 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 owners through the optimisation of the debt and equity balance. The overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes bank borrowings as disclosed in respective note, and equity of the Group, comprising share capital and reserves.

Management of the Group reviews the capital structure regularly taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through issuance of new shares and the raise of borrowings or the repayment of the existing borrowings.

28. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000
Financial assets		
Financial assets at amortised cost	130,052	131,224
Financial liabilities		
Amortised cost	181,553	147,869

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables, deposits, pledged bank deposits, bank balances and cash, trade and other payables and accruals, amount due from a related party, bank borrowings and bank overdrafts. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies. The Group is exposed to currency risk primarily through sales proceeds received from customers that are denominated in a currency other than the group entities' functional currency. The currencies giving rise to this risk are primarily HK$.

The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's HK$ and RMB denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000
Monetary assets		
HK$	1,247	474
RMB	29	29
Monetary liabilities		
HK$	–	–
RMB	–	–

28. FINANCIAL INSTRUMENTS (CONTINUED)

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

Currency risk (continued)

Sensitivity analysis

As the exchange rate of HK$/MOP is relatively stable, the Group does not expect any significant foreign currency exposure arising from the fluctuation of the HK$/MOP exchange rates. As a result, the management of the Group considers that the sensitivity of the Group's exposure towards the change in foreign exchange rates between HK$/MOP is minimal.

The following table details the Group's sensitivity analysis to a 5% increase and decrease in functional currency of the relevant group entities (i.e. MOP) against RMB and all other variables were held constant. 5% is the sensitivity rate used and represents the management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in post-tax loss (2024: an increase in post-tax profit) for the year where MOP strengthening 5% against the RMB. For a 5% weakening of MOP against the RMB, there would be an equal and opposite impact on the result for the year.

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000
RMB	**1**	1

Interest rate risk

The Group is also exposed to cash flow interest rate risk in relation to variable-rate pledged bank deposits, bank balances and bank overdrafts (see note 19) and bank borrowings (see note 22).

The Group currently does not have any interest rate hedging policy. The management of the Group monitors the Group's exposure on ongoing basis and will consider hedging interest rate risk should the need arises.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of prevailing market interest rates arising from the Group's bank balances and MOP prime lending rate arising from the Group's variable-rate bank borrowings.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for its variable bank borrowings and bank overdrafts. The analysis is prepared assuming the variable-rate bank borrowings and bank overdrafts at the end of each reporting period were outstanding for the whole year and 50 basis points increase or decrease are used. The pledged bank deposits and bank balances are excluded from the sensitivity analysis as the management of the Group considers that the interest rate fluctuation is not significant.

If interest rates have been 50 basis points higher/lower for variable-rate bank and other borrowings and bank overdrafts and all other variables were held constant, the Group's post-tax loss for the fifteen months ended 31 March 2026 would increase/decrease by MOP397,338 (2024: post-tax loss would increase/decrease by MOP2,536,000).

28. FINANCIAL INSTRUMENTS (CONTINUED)

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

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to trade receivables, contract assets, other receivables, deposits, amount due from a related party, pledged bank deposits and bank balances.

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge the obligations by counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position at the end of each reporting period.

The management of the Group adopted a policy on providing credit facilities to new customers. A credit investigation of the customers or the ultimate customers if those contracts allow the Group to obtain payment directly from the ultimate customers under certain circumstance, including assessment of financial information, advice from business partners in relation to potential customers and credit search, would be required to be launched. The level of credit granted must not exceed a predetermined level set by the management. Credit evaluation is performed on a regular basis.

The Group has concentration of credit risks with exposure limited to certain customers. The top three debtors comprised 87% (2024: 71%) of the Group's trade receivables and nil (2024: nil) of retention money as stated in note 18 as at 31 March 2026. The management of the Group closely monitors the subsequent settlement of the debtors. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

In order to minimise the credit risk on trade receivables and contract assets, the management of the Group has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate provisions for impairment losses are made for irrecoverable amounts on trade receivable and contract assets. The Group applies simplified approach on trade receivables and contract assets to provide for ECL prescribed by HKFRS 9. To measure the ECL of trade receivables and contract assets, trade receivables and contract assets are assessed individually with details disclosed in notes 16 and 18, respectively. In this regard, the management of the Group considers that the credit risk on trade receivables and contract assets is significantly reduced.

For other receivables, deposits and amount due from a related party, the management of the Group makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of other receivables, and amount due from a related party. Deposits are assessed individually for ECL with details disclosed in note 17.

The credit risk on pledged bank deposits and bank balances and cash of the Group is limited because the counterparties are banks with good reputation, no history of default in the past and high credit ratings assigned by credit agencies and therefore no loss allowance provision for pledged bank deposits and bank balances was recognised. The Group has limited exposure to any single financial institution.

28. FINANCIAL INSTRUMENTS (CONTINUED)

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

Liquidity risk

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

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

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of each reporting period.

	Weighted average effective interest rate	**On demand or within 1 year**	**1–2 years**	**Total undiscounted cash flows**	**Total carrying amount**
	%	MOP'000	MOP'000	MOP'000	MOP'000
As at 31 March 2026					
Trade and other payables	**N/A**	**98,389**	**–**	**98,389**	**98,389**
Bank and other borrowings	**5.4%**	**70,971**	**6,421**	**77,392**	**76,092**
Bank overdrafts	**5.4%**	**6,589**	**–**	**6,589**	**6,589**
Lease liabilities	**6%**	**440**	**54**	**494**	**483**
		176,389	**6,475**	**182,864**	**181,553**
As at 31 December 2024					
Trade and other payables	N/A	90,223	–	90,223	90,223
Bank borrowings	6%	51,707	–	51,707	51,707
Bank overdrafts	6%	5,939	–	5,939	5,939
Lease liabilities		–	–	–	–
		147,869	–	147,869	147,869

(c) Fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

29. 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.

	Interest payable	**Bank and other borrowings**	**Lease liabilities**	**Total**
	MOP'000	MOP'000	MOP'000	MOP'000
As at 1 January 2024	–	56,466	97	56,563
Financing cash flows (Note)	(715)	(4,759)	(98)	(5,572)
Finance costs recognised	7,667	–	1	7,668
At 31 December 2024	6,952	51,707	–	58,659
Transfer from defaulted bank overdraft	–	5,939	–	5,939
Additions to lease liabilities	–	–	1,126	1,126
Financing cash flows (Note)	–	18,352	(693)	17,659
Finance costs recognised	–	6,683	50	6,733
At 31 March 2026	6,952	82,681	483	90,116

Note: The financing cash flows represented the net amount of new bank and other borrowings raised and repaid, and payment of lease liabilities.

30. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related party during both period/year:

	Fifteen months ended 31 March 2026	Year ended 31 December 2024
	MOP'000	MOP'000
Rental expense of office to Ms. Ng under short-term lease	**–**	204
Finance costs on promissory note due to Mr. Song Yanyang	**345**	–

Details of the promissory note arrangement to Mr. Song Yanyang, an executive director of the Company, are set out in note 22.

Compensation of key management personnel

The remuneration of the directors of the Company and other members of key management are disclosed in note 6.

31. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's subsidiaries at the date of this report are as follows:

Name of subsidiary	Place of incorporation/ establishment	Place of operation	Issued and full paid share capital	Attributable equity interest of the Company as at 31 March 2026	Attributable equity interest of the Company as at 31 December 2024	Principal activities
Keng Chuan Limited	Macau	Macau	MOP25,000	**100%**	100%	Administrative support for the Group
Loyal Auspicious Limited ("**Loyal Auspicious**")	BVI	Macau/BVI	United States dollars ("**USD**") 1	**100%**	100%	Investment holding
New Zhongke Construction (Macau) Co. Ltd	Macau	Macau	MOP500,000	**100%**	100%	Inactive
Splendor Haze Limited ("**Splendor Haze**")	BVI	Macau/BVI	USD1	**100%**	100%	Investment holding
WHHE (Macau)	Macau	Macau	MOP500,000	**100%**	100%	Fitting-out and repair and maintenance
WHHDD	Macau	Macau	MOP500,000	**100%**	100%	Fitting-out and repair and maintenance
Wai Hung Hong Construction Engineering Limited ("**WHHCE**")	Hong Kong	Hong Kong	HK$20,000	**100%**	100%	Inactive
Wai Hung Hong Construction Company Limited ("**WHHC**")	Hong Kong	Hong Kong	HK$2,000,000	**100%**	100%	Inactive
Wai Hung Hong Engineering Company Limited ("**WHHE (HK)**")	Hong Kong	Hong Kong	HK$20,000	**100%**	100%	Administrative support for the Group
Yiu Kwong Decoration Engineering (Macau) Company Limited ("**YKDE**")	Macau	Macau	MOP300,000	**100%**	100%	Fitting-out
Zhuhai Hengqin Zhongxin Construction Materials Limited	The PRC	The PRC	RMB3,500,000	**100%**	100%	Design support for the fitting-out services
Heritage Global Enterprises Limited	BVI	Macau/BVI	USD50,000	**100%**	100%	Investment holding
Zhongke Asia Group Limited	Hong Kong	Hong Kong	HKD10,000	**100%**	N/A	Fitting-out
Braintree Limited	Marshall Islands	Hong Kong/ Marshall Islands	USD1	**100%**	100%	Investment holding

Except for WHHCE, WHHC and WHHE (HK) which have a financial year end of 31 March, all other subsidiaries have adopted 31 December as their financial year end date.

Except for Loyal Auspicious, Splendor Haze, Heritage Global Enterprises Limited and Braintree Limited which are directly wholly-owned by the Company, all other subsidiaries are indirectly held by the Company.

Zhongke Asia Group Limited was newly incorporated during the fifteen months ended 31 March 2026.

None of the subsidiaries had issued any debt securities at the end of the year.

Zhuhai Hengqin Zhongxin Construction Materials Limited is a wholly foreign-owned enterprise in the PRC.

32. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Statement of financial position of the Companies

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000
Non-current assets		
Investments in subsidiaries	**–**	236,581
Current assets		
Bank balances and cash	**8**	38
	8	38
Current liabilities		
Accruals	**646**	3,118
Amounts due to subsidiaries	**7,587**	7,751
	8,233	10,869
Net current liabilities	**(8,225)**	(10,831)
Net assets	**(8,225)**	225,750
Capital and reserves		
Share capital	**7,485**	6,237
Reserves	**(15,710)**	219,513
Total equity	**(8,225)**	225,750

32. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Reserves

	Share premium MOP'000	Other reserve MOP'000	Accumulated losses MOP'000	Total MOP'000
At 31 December 2023	264,634	–	(45,086)	219,548
Loss and total comprehensive expense for the year	–	–	(1,085)	(1,085)
Issue of shares	1,081	–	–	1,081
Transaction costs attributable to issue of shares	(31)	–	–	(31)
At 31 December 2024	265,684	–	(46,171)	219,513
Loss and total comprehensive expense for the period	–	–	(238,474)	(238,474)
Issue of shares	3,618	–	–	3,618
Transaction costs attributable to issue of shares	(392)	–	–	(392)
Equity-settled share option arrangements	–	25	–	25
At 31 March 2026	268,910	25	(284,645)	(15,710)

33. EVENTS AFTER THE REPORTING PERIOD

(a) Redesignation of a Director

The Board of Directors announced that Mr. Song Yanyang, an executive director of the Company, has been redesignated as the vice chairman of the Board of the Company with effect from 1 April 2026.

(b) Share Consolidation

On 22 April 2026, the Company's shareholders passed an ordinary resolution at an extraordinary general meeting to approve a share consolidation, whereby every ten (10) existing shares of par value of HK$0.01 each in the share capital of the Company were consolidated into one (1) consolidated share of par value of HK$0.1 each, with effect from 24 April 2026. Prior to the consolidation, the issued share capital was 726,696,000 shares; after the consolidation, the issued share capital became 72,669,600 shares. Consequent to the share consolidation, the board lot size was adjusted from 2,500 shares to 10,000 shares, with effect from 11 May 2026.

(c) Issue of New Shares upon Exercise of Share Options

On 6 May 2026, share options granted under the Company's 2019 Share Option Scheme were exercised. The exercise price and the number of shares under outstanding options had been adjusted in connection with the share consolidation and in accordance with the share option scheme, resulting in the issue of 5,000,000 consolidated ordinary shares at HK$0.49 per share. Following this issue, the total issued share capital of the Company increased to 77,669,600 consolidated shares.

Save as disclosed above, there were no other material events after the reporting period since 1 April 2026.

FINANCIAL SUMMARY

The summary below does not form part of the audited financial statements.

	Fifteen months ended 31 March 2026 MOP'000	Year ended 31 December 2024 MOP'000	2023 MOP'000	2022 MOP'000	2021 MOP'000
RESULTS					
Revenue	**30,961**	8,830	105,848	54,594	260,444
Gross profit/(loss)	**3,475**	(4,780)	(5,270)	(34,949)	(97,507)
(Loss)/profit before tax	**(43,985)**	(48,923)	(26,828)	(70,428)	(230,380)
Income tax expenses	**–**	–	(958)	(127)	(1,010)
(Loss)/profit for the period/year	**(43,985)**	(48,923)	(27,786)	(70,555)	(231,390)

	As at 31 March 2026 MOP'000	As at 31 December 2024 MOP'000	2023 MOP'000	2022 MOP'000	2021 MOP'000
ASSETS AND LIABILITIES					
Total assets	**138,346**	137,840	168,581	216,786	254,036
Total liabilities	**242,452**	202,297	184,464	204,232	179,528