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Application Proof of

Cheuk Power International Holding Limited

(Incorporated in Cayman Islands with limited liability)

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Cheuk Power International Holding Limited
焯力國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

[REDACTED]

Number of [REDACTED]	**:**	**[REDACTED] Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] Shares (subject to reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] Shares (subject to reallocation and the [REDACTED])**
[REDACTED] Price	**:**	**Not more than HK$[REDACTED] per [REDACTED] and expected to be not less than HK$[REDACTED] per [REDACTED], plus brokerage of 1%, SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**HK$0.01 per Share**
[REDACTED]	**:**	**[●]**

Sole Sponsor, [REDACTED], [REDACTED] and [REDACTED]

百惠金控 PATRONS

Patrons Capital Limited

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A copy of this document, having attached thereto the documents specified in the paragraph headed "Documents Delivered to the Registrar of Companies and Documents on Display" in Appendix V to this document, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this document or any other documents referred to above.

The **[REDACTED]** Price is expected to be determined by agreement between the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) and us on the **[REDACTED]**, which is expected to be on or around 12:00 noon on [●], [●] (Hong Kong time). The **[REDACTED]** Price will be not more than HK$**[REDACTED]** per **[REDACTED]** and is currently expected to be not less than HK$**[REDACTED]** per **[REDACTED]** unless otherwise announced. Investors applying for the **[REDACTED]** may be required to pay, on the **[REDACTED]** (subject to **[REDACTED]** channels), the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** together with brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, subject to refund if the **[REDACTED]** Price as finally determined is lower than HK$**[REDACTED]** per **[REDACTED]**. If, for any reason, the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) and us are unable to reach an agreement on the **[REDACTED]** Price by [●] on [●] (Hong Kong time), the **[REDACTED]** will not become unconditional and will not proceed.

The **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) may, with our consent, reduce the number of **[REDACTED]** being **[REDACTED]** in the **[REDACTED]** and/or the indicative **[REDACTED]** below that stated in this document at any time on or prior to the morning of the last day for lodging **[REDACTED]** under the **[REDACTED]**. In such a case, notices of such reduction in the number of **[REDACTED]** in the **[REDACTED]** and/or the indicative **[REDACTED]** will be published on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at [●]. Further details are set out in the sections headed "Structure and Conditions of the **[REDACTED]**" and "How to Apply for **[REDACTED]**" in this document.

Prior to making any investment decision, prospective investors should carefully consider all of the information set out in this document, including the risk factors set out in the section headed "Risk Factors" in this document.

The obligations of the **[REDACTED]** under the **[REDACTED]** to subscribe are subject to termination by the **[REDACTED]** (for itself and on behalf of the Hong Kong **[REDACTED]**) if certain grounds arise prior to 8:00 a.m. (Hong Kong time) on the **[REDACTED]**. Further details of the circumstances are set out in the paragraph headed "**[REDACTED]** — **[REDACTED]** Arrangements and Expenses — Grounds for termination" in this document.

The **[REDACTED]** have not been and will not be registered under the **[REDACTED]** or any state securities law in the United States and may not be **[REDACTED]**, sold, pledged or transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the **[REDACTED]** and in accordance with any applicable U.S. state securities laws. The **[REDACTED]** are being **[REDACTED]** and sold only outside the United States in offshore transactions in reliance on Regulation S under the **[REDACTED]**.

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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*You should rely only on the information contained in this document to make your investment decision. Our Company, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]** and the **[REDACTED]** have not authorized anyone to provide you with information that is different from what is contained in this document. Any information or representation not made in this document must not be relied on by you as having been authorized by our Company, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, any of their respective directors, officers, employees, advisers, agents, representatives or affiliates of any of them or any other person or party involved in the **[REDACTED]**. Information contained on our website, located at [●] does not form part of this document.*

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This summary aims to give you an overview of the information contained in this document and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this document. As it is a summary, it does not contain all the information that may be important to you, and we urge you to read the entire document carefully before making your investment decision. Various expressions used in this summary are defined in the sections headed "Definition" and "Glossary of Technical Terms" in this document. There are risks associated with any investment. Some of the particular risks in investing in the ***[REDACTED]*** *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to invest in the* ***[REDACTED]****. You should read the entire document before you decide to invest in the* ***[REDACTED]****.*

OVERVIEW

We are principally engaged in the provision of demolition works as a main contractor in Hong Kong. We also undertake a variety of other construction works, such as repair and maintenance works, rectification works, improvement works and site upkeeping works during the Track Record Period. Together with our predecessor, Riseship Engineering Co. established in 1989, we have accumulated over 35 years of operating history in the construction industry in Hong Kong. Our projects are primarily undertaken by Riseship Construction, our principal operating subsidiary established in Hong Kong. According to the Frost & Sullivan Report, our Group ranked the fifth largest and the third largest in terms of revenue in 2024 and 2025, respectively, with an increase in market share from approximately 3.0% in 2024 to approximately 4.9% in 2025.

During the Track Record Period, the provision of demolition works was our main source of income and accounted for approximately 93.2%, 93.6%, 96.6% and 86.3% of our total revenue in FY2025, FY2026, 3M2025 and 3M2026, respectively. The below table sets out our revenue during the Track Record Period by types of works for the year/period indicated:

	FY2025		**FY2026**		**3M2025**		**3M2026**	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
					(Unaudited)			
Demolition works	**72,003**	**93.2**	**128,027**	**93.6**	**28,960**	**96.6**	**37,254**	**86.3**
— Revenue from contract sum	62,957	81.5	88,553	64.7	22,968	76.6	24,242	56.2
— Proceeds from disposal of salvage materials	9,046	11.7	39,474	28.9	5,992	20.0	13,012	30.1
Other construction works[(Note)]	**5,277**	**6.8**	**8,773**	**6.4**	**1,010**	**3.4**	**5,936**	**13.7**
Total:	**77,280**	**100.0**	**136,800**	**100.0**	**29,970**	**100.0**	**43,190**	**100.0**

Note: Other construction works included, without limitation, repair and maintenance works, rectification works, improvement works and site upkeeping works.

In undertaking our projects, we derived revenue which comprised (i) the revenue from contract sum, namely the fees which we received from the customers for our services; and (ii) in the case of some demolition projects, the proceeds from the disposal of salvage materials removed from the demolition sites to third party salvage material buyers. The table below sets forth the breakdown of our project revenue by nature for the years/periods indicated:

	FY2025		**FY2026**		**3M2025**		**3M2026**	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
					(Unaudited)			
Revenue from contract sum	68,234	88.3	97,326	71.1	23,978	80.0	30,178	69.9
Proceeds from disposal of salvage materials	9,046	11.7	39,474	28.9	5,992	20.0	13,012	30.1
Total revenue:	**77,280**	**100.0**	**136,800**	**100.0**	**29,970**	**100.0**	**43,190**	**100.0**

During the Track Record Period: (i) all our projects were undertaken by our Group as main contractor; and (ii) all projects undertaken by our Group were private sector projects, comprising mostly building demolition projects commissioned by privately-owned property developers.

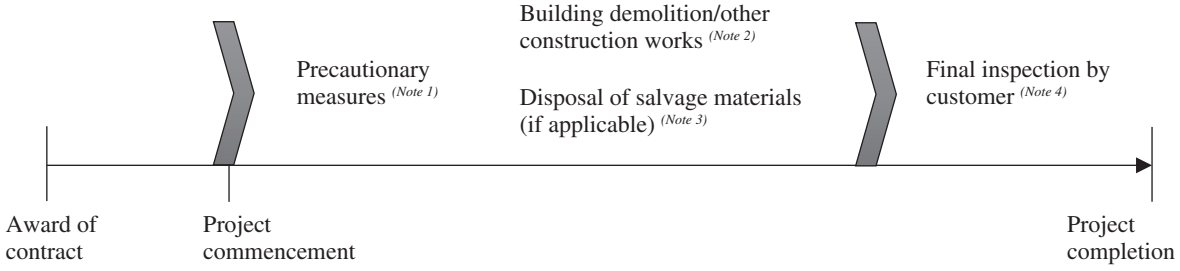
OUR BUSINESS MODEL

Our principal business is undertaking demolition and other construction works projects in Hong Kong. We have experience in various types and scales of projects, including but not limited to the demolition of commercial buildings, residential developments, and other buildings and structures, as well as other construction works such as repair and maintenance works, improvement works and rectification works in Hong Kong.

In undertaking our projects, we are engaged by the project owners to carry out various demolition works or other construction works, as the case may be, on the designated sites. These demolition works or other construction works are performed in accordance with the specifications contained in the contract with the project owners. For demolition projects, we generally derive revenue from both demolition works and the disposal of salvage materials, consistent with industry practice. However, if the expected proceeds from selling salvage materials are lower than the associated logistics costs, we derive revenue solely from the demolition works. These proceeds vary based on the building type, project scale, and prevailing market prices of the salvage materials.

For example, smaller-scale and residential demolition projects typically yield fewer salvage materials, resulting in lower proceeds. In some cases, our project management team may decide not to sell these materials if the disposal costs (including time, labour for extraction and sorting, and transportation) exceed their expected economic value.

Below illustrates the typical process and workflow in a project for building demolition or other construction works:



Notes:

1. Precautionary measures may include hoardings, proppings, covered walkways, catch platforms, catchfans, scaffolding, protective screens and/or safety nets.

2. Building demolition refers to the demolition works of dismantling the relevant structures on the site of our demolition projects. Other construction works may include, without limitation, repair and maintenance works, improvement works and rectification works.

3. In the case of demolition projects, salvage materials such as ferrous and non-ferrous metals are continuously produced throughout our demolition works. In line with the industry norm, we dispose of such salvage materials to third party salvage material buyers to obtain the sale proceeds.

4. Upon passing the inspection carried out by the customer or its consultant and (unless exempted) receipt from the Buildings Department of the letter of acknowledgement for the certification of completion of the works, our Group will submit an application for the practical completion certificate to be issued by the customer or its architects. Upon the issuance of the practical completion certificate by the customer or its architects, our Group will be deemed to have accepted our works or, alternatively, the customer or its architects may issue an acceptance certificate to our Group.

OUR PROJECTS

During the Track Record Period, we derived revenue in undertaking demolition works projects and other construction works projects in the private sector in Hong Kong. For details, please refer to the paragraph headed "Business — Our Projects — Projects with revenue contribution during the Track Record Period" in this document.

Backlog

The following table sets forth the movement in the number and value of projects which were completed or ongoing during the Track Record Period and up to the Latest Practicable Date:

	FY2025		FY2026		3M2026		From 1 July 2026 to the Latest Practicable Date	
	Number of projects	Contract sum *(HK$'000)*	Number of projects	Contract sum *(HK$'000)*	Number of projects	Contract sum *(HK$'000)*	Number of projects	Contract sum *(HK$'000)*
Number of projects/value of backlog as at the beginning of the relevant year/period	7	28,272	8	158,036	10	71,377	7	68,326
Add: Number of new project(s)/contract sum of new projects and/or variation orders awarded during the relevant year/period	10	207,044	5	50,141	2	40,139	2	548
Less: Number of projects/total revenue completed or recognised during the relevant year/period	(9)	(77,280)	(3)	(136,800)	(5)	(43,190)	—	(7,879)
Number of projects/value of backlog as at the end of the year/period	**8**	**158,036**	**10**	**71,377**	**7**	**68,326**	**9**	**60,995**

DEVELOPMENT MILESTONES

1989	Establishment of a sole proprietorship in the trade name of Riseship Engineering Co. providing general construction works as a general contractor in Hong Kong.
1993	Riseship Construction was incorporated as a limited liability company on 4 May 1993, initially commencing operations as a general building contractor.
1994	Riseship Construction was first awarded with a building erection works project in Yuen Long.
1995	Riseship Construction was first registered as a registered contractor with the Buildings Department (which was subsequently replaced by registered general building contractor and registered specialist contractor in 1997) *(Note)*.
1999	Riseship Construction was first registered as a registered general building contractor with the Buildings Department.
2000	Riseship Construction was first registered as a registered specialist contractor under the category of demolition works with the Buildings Department.
2016	Riseship Construction was first registered as a registered minor works contractor (Classes I, II and III (Type A)) with the Buildings Department.
2018	Riseship Construction was admitted to the List of Demolition Contractors maintained by the Urban Renewal Authority.
2019	Riseship Construction was first registered as a registered trade specialist contractor under the Registered Trade Contractors Scheme of the Construction Industry Council under the trade category of "demolition (Group 2)".
2024	Riseship Construction was admitted to the List of Demolition Contractors maintained by the Housing Authority with probationary status granted.

Note: Pursuant to the Buildings (Amendment) Ordinance 1996 which became effective on 7 November 1997, there was a transition period of two years for existing registered contractors to adapt to the new registration system for registered general building contractors and registered specialist contractors. As such, the registration of Riseship Construction as a registered contractor continued to be in force for two years after the date of commencement of the Buildings (Amendment) Ordinance 1996.

CUSTOMERS

During the Track Record Period, our customers were mainly (i) private sector project owners which primarily included private property developers and (ii) salvage material buyers, which primarily included companies engaged in the recycling and trading of salvage materials.

For FY2025, FY2026 and 3M2026: (i) the aggregate revenue attributable to our Group's five largest customers amounted to approximately HK$49.9 million, HK$111.7 million and HK$34.5 million, representing approximately 64.6%, 81.7% and 79.9% of our Group's total revenue, respectively; and (ii) the aggregate revenue attributable to our Group's largest customer amounted to approximately HK$15.6 million, HK$83.0 million and HK$21.7 million, representing approximately 20.1%, 60.7% and 50.2% of our Group's total revenue, respectively. For further details of our customers, please refer to the section headed "Business — Customers" in this document.

SUPPLIERS AND SUBCONTRACTORS

During the Track Record Period: (a) our suppliers mainly included (i) machinery and equipment leasing service providers, (ii) vendors of construction materials and (iii) providers of insurance and related brokerage services; (b) our subcontractors mainly included (i) subcontractors of construction works and (ii) transportation service providers for the transportation of machinery and equipment and debris removed by us from the construction sites. During the Track Record Period, we also incurred expenses in respect of payment of levies to the Environmental Protection Department for the disposal of construction waste and/or other waste in accordance with the requirements of the Waste Disposal Ordinance and its subsidiary legislations. For details, please refer to the paragraph headed "Regulatory Overview — Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong)" in this document.

For FY2025, FY2026 and 3M2026: (i) the total purchases attributable to our Group's five largest suppliers and subcontractors amounted to approximately HK$36.3 million, HK$42.6 million and HK$12.4 million, representing approximately 62.3%, 43.7% and 43.8% of our Group's total costs of services, respectively; and (ii) the total contract purchases attributable to our Group's largest supplier or subcontractor amounted to approximately HK$17.4 million, HK$18.2 million and HK$3.2 million, representing approximately 29.9%, 18.7% and 11.4% of our Group's total costs of services, respectively. For further details of our suppliers, please refer to the section headed "Business — Suppliers and subcontractors" in this document.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths have contributed to our Group's continued success and potential for growth: (i) well-established presence and proven track record in demolition works in Hong Kong; (ii) experienced management team; (iii) established relationship with clients, signifying our Group's commitment to high service quality; and (iv) commitment to occupational safety and quality control. For further details, please refer to the section headed "Business — Competitive strengths".

BUSINESS STRATEGIES

The primary business objective of our Group is to continuously strengthen our competitive position in the construction industry in Hong Kong and to achieve sustainable growth. We intend to achieve our business objective by pursuing the following key strategies: (i) continue to strengthen our market position in the industry and expand our business operations; (ii) strengthen our machinery; (iii) further enhancing our quality, efficiency and safety standards; (iv) enhance our manpower; and (v) adherence to prudent financial management to ensure sustainable growth and capital sufficiency. For details, please refer to the section headed "Business — Business strategies" in this document.

MARKET POTENTIAL AND COMPETITIVE LANDSCAPE

According to the Frost & Sullivan Report, our Group ranked the fifth largest and the third largest in terms of revenue in 2024 and 2025, with an increase in market share from approximately 3.0% to approximately 4.9% in 2024 and 2025, respectively.

According to the Frost & Sullivan Report: (i) the gross value of construction works performed by main contractors in Hong Kong increased from approximately HK$233.7 billion in 2021 to approximately HK$287.5 billion in 2025 at a CAGR of approximately 5.0%, and is projected to grow from approximately HK$300.4 billion in 2026 to HK$357.9 billion in 2030 at a CAGR of approximately 4.5%; and (ii) the gross value of building demolition works performed by main contractors in Hong Kong increased from approximately HK$1.4 billion in 2021 to approximately HK$2.6 billion in 2025 at a CAGR of approximately 17.0%, and is projected to continue its upward trajectory from approximately HK$2.8 billion in 2026 to HK$3.8 billion in 2030 at a CAGR of approximately 7.8%, outpacing the general growth rate of the construction industry in Hong Kong. The sustained growth in the market size of demolition works in Hong Kong is expected to be fueled by, among other things, ongoing large-scale infrastructure and new development plans, such as the Hung Shui Kiu and other Northern Metropolis initiatives, and continuous urban development. In addition, a large number of private residential and commercial buildings constructed between the 1960s and 1980s have reached or will soon reach 50 to 60 years of age and are increasingly considered dilapidated or structurally obsolete, and the Urban Renewal Authority has led many of these redevelopment efforts through various targeted projects.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Immediately following **[REDACTED]** of the **[REDACTED]** (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the **[REDACTED]** and **[REDACTED]**, our Controlling Shareholders will be entitled to exercise or control the exercise of voting rights in respect of **[REDACTED]**% of our total issued share capital. Mr. Lo Cheuk Pui is our executive Director, chairman of our Board and chief executive officer. Mr. Lo Siu Kai is our executive Director and site manager. Mr. Lo Kam Kenny is our founder and chief technical officer. Our Directors consider that we are capable of carrying on our business independently of our Controlling Shareholders following the **[REDACTED]**.

Composition of the group of Controlling Shareholders

Pursuant to the Acting in Concert Confirmation, HonTide (being collectively owned by Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong), Legacy Capital (being wholly owned by Mr. Lo Cheuk Pui), Mr. Lo Cheuk Pui, Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong constitute of a group of our Controlling Shareholders upon **[REDACTED]**. For further details, please refer to the section headed "Relationship with our Controlling Shareholders" in this document.

[REDACTED] INVESTMENTS

On 18 May 2026 and 20 May 2026, our **[REDACTED]** Investors, each an Independent Third Party, subscribed for Shares for an aggregate consideration of approximately HK$**[REDACTED]**. No special rights were granted to the **[REDACTED]** Investors, and the consideration was settled in full before the Latest Practicable Date. Immediately following **[REDACTED]** of the **[REDACTED]** (without taking into account any Shares to be issued upon the exercise of the **[REDACTED]** and **[REDACTED]**, the **[REDACTED]** Investors will together hold **[REDACTED]**% of our issued share capital.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Selected items in our consolidated statements of comprehensive income

	FY2025	FY2026	3M2025	3M2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Revenue	77,280	136,800	29,970	43,190
Gross profit	19,041	39,401	8,812	14,831
Profit before income tax	10,266	29,282	6,496	11,399
Profit and total comprehensive income for the year/period	8,649	24,231	5,363	9,443

Our Group's total revenue increased by approximately HK$59.5 million or 77.0% from approximately HK$77.3 million for FY2025 to approximately HK$136.8 million for FY2026. Our Group's total revenue increased by approximately HK$13.2 million or 44.1% from approximately HK$30.0 million for 3M2025 to HK$43.2 million for 3M2026. Our gross profit increased by approximately HK$20.4 million or 106.9%, from approximately HK$19.0 million for FY2025 to approximately HK$39.4 million for FY2026. Our gross profit increased by approximately HK$6.0 million or 68.3%, from approximately HK$8.8 million for 3M2025 to approximately HK$14.8 million for 3M2026. For reasons for the increase in our revenue and gross profit, please refer to the paragraphs headed "Financial Information — Principal component of consolidated statements of comprehensive income — Revenue" and "— Gross Profit" in this document.

Cost of services

During the Track Record Period, our cost of services mainly comprised of (i) subcontractor charges; (ii) direct labour costs; (iii) transportation expenses; (iv) government levies; and (v) construction materials. The table below sets forth a breakdown of our cost of services by nature and percentage contribution to total cost of services during the Track Record Period:

	FY2025		FY2026		3M2025		3M2026	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
					(unaudited)			
Subcontractor charges	38,808	66.6	39,061	40.1	9,643	45.6	11,369	40.1
Direct labour costs	4,482	7.7	21,186	21.8	5,144	24.3	5,893	20.8
Transportation expenses	1,259	2.2	8,049	8.3	708	3.3	3,457	12.2
Government levies	963	1.7	7,397	7.6	1,344	6.4	1,386	4.9
Construction materials	3,066	5.3	6,657	6.8	1,729	8.2	2,194	7.7
Machinery and equipment leasing expenses	2,163	3.7	6,403	6.6	1,015	4.8	1,761	6.2
Legal and professional fees	1,590	2.7	3,002	3.1	372	1.8	1,308	4.6
Insurance expenses	2,089	3.6	2,736	2.8	573	2.7	226	0.8
Depreciation	2,064	3.5	1,890	1.9	314	1.5	536	1.9
Utilities	653	1.1	506	0.5	187	0.9	5.0	—
Maintenance expenses	403	0.7	66	0.1	66	0.3	—	—
Others	699	1.2	446	0.4	63	0.2	224	0.8
Total cost of services	58,239	100.0	97,399	100.0	21,158	100.0	28,359	100.0

Note: Others mainly represented our motor vehicle expenses and operating lease charges.

Selected items in our consolidated statements of financial position

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Current assets	70,297	95,550	68,492
Current liabilities	22,410	25,139	31,930
Net current assets	47,887	70,411	36,562
Net assets	49,530	73,761	40,204

Our net current assets increased from approximately HK$47.9 million as at 31 March 2025 to approximately HK$70.4 million as at 31 March 2026 primarily due to the increase of our current assets as a result of (i) an increase in cash at banks of approximately HK$20.4 million; (ii) an increase in amounts due from related companies of approximately HK$6.2 million during the year; (iii) a decrease in trade receivables of approximately HK$2.3 million, and (iv) an increase in income tax payables of approximately HK$4.8 million.

Our net current assets decreased from approximately HK$70.4 million as at 31 March 2026 to approximately HK$36.6 million as at 30 June 2026 primarily due to the decrease of our current assets as a result of (i) the decrease in amounts due from related companies of approximately HK$7.1 million; (ii) the decrease in amount due from shareholders of approximately HK$12.3 million; (iii) the decrease in trade receivables of approximately HK$4.7 million; (iv) the increase in other payable of approximately HK$10.6 million; and (v) the decrease in contract liabilities of approximately HK$5.4 million.

For details, please refer to the paragraph headed "Financial Information — Liquidity and capital resources — Net current assets" in this document.

Selected items in the consolidated statements of cash flows

	FY2025	FY2026	3M2025	3M2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(unaudited)	
Net cash generated from operating activities	6,957	29,782	3,945	11,754
Net cash (used in)/generated from investing activities	(1,239)	(8,195)	8,124	(3,451)
Net cash used in financing activities	(1,302)	(1,187)	(298)	(12,306)
Net increase/(decrease) in cash and cash equivalents	4,416	20,400	11,771	(4,003)
Cash and cash equivalents at beginning of year/period	4,114	8,530	8,530	28,930
Cash and cash equivalents at end of year/period	8,530	28,930	20,301	24,927

For details, please refer to the paragraph headed "Financial Information — Liquidity and capital resources — Net current assets" in this document.

Key Financial Ratios

	FY2025	FY2026	3M2026
Gross profit margin *(%)*	24.6	28.8	34.3
Profit margin *(%)*	11.2	17.7	21.9
Interest coverage ratio *(times)*	52.8	197.5	293.3

	As at 31 March		As at 30 June
	2025	2026	2026
Current ratio *(times)*	3.1	3.8	2.1
Quick ratio *(times)*	3.1	3.8	2.1
Gearing ratio *(%)*	10.4	5.6	14.6
Net debt to equity ratio *(times)*	0.1	0.1	0.1
Return on total assets *(%)*	11.9	24.3	38.9
Return on equity *(%)*	17.5	32.9	23.5

Our gross profit margin increased from approximately 24.6% for FY2025 to approximately 28.8% for FY2026, such increase was mainly due to project for commercial building, namely project no. A having a relatively high cumulative profit margin of approximately 32.5%, was recognised in FY2026, mainly attributable to the proceeds from the disposal of salvage materials.

Our gross profit margin increased further to 34.3% for 3M2026, which was higher than that of each of FY2025 and FY2026, mainly due to project no. A, having relatively high cumulative gross profit margin of approximately 33.3% for 3M2026. Such project is commercial building in nature and generated comparatively a higher portion of salvage materials with higher value. For details, please refer to the paragraph headed "Financial Information — Principal components of consolidated statements of comprehensive income — Gross profit" in this document.

DIVIDENDS AND DIVIDEND POLICY

For FY2025, FY2026, 3M2025 and 3M2026, the Group declared dividends of nil, nil, nil and HK$43.0 million, respectively.

During 3M2026, members of our Group declared dividends of approximately HK$21.0 million and of approximately HK$22.0 million to their then shareholders, which have been settled in cash and offsetting against the aggregate amounts due from our Controlling Shareholders to our Group, respectively.

We do not have any formal dividend policy or predetermined dividend payout ratio. Any future declarations and payments of dividends will be at the discretion of our Directors, subject to certain restrictions under Cayman Islands law, and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. Our Company may declare dividend (a) out of profits of our Company if our Company has sufficient profits, realised or unrealised, unless such is contrary to the accounting principles adopted by our Company or (b) out of the share premium of our Company if, in each case, following the date on which the dividend is proposed to be paid, our Company is able to pay its debts as they fall due in the ordinary course of business. In determining whether to declare a dividend, our Board will need to be satisfied that the declaration of dividend is in the best interest of our Company and may make provision for losses.

We have not adopted any predetermined dividend payout ratio to be effective after the **[REDACTED]**.

[REDACTED] STATISTICS

	Based on the minimum indicative [REDACTED] of HK$[REDACTED] per [REDACTED] *HK$*	Based on the maximum indicative [REDACTED] of HK$[REDACTED] per [REDACTED] *HK$*
[REDACTED] of our Shares at **[REDACTED]** *(Note 1)*	**[REDACTED]**	**[REDACTED]**
[REDACTED] adjusted net tangible assets per Share *(Note 2)*	**[REDACTED]**	**[REDACTED]**

Notes:

1. The calculation of the **[REDACTED]** of our Shares is based on **[REDACTED]** Shares expected to be in issue immediately after **[REDACTED]** of the **[REDACTED]**, but does not take into account any Shares which may be allotted or issued pursuant to the exercise of the **[REDACTED]** or **[REDACTED]** and any Share which may be issued or repurchased by the Company pursuant to the general mandate to issue Shares or the general mandate to repurchase Shares.

2. Please refer to Appendix II to this document for details.

FUTURE PLANS AND [REDACTED]

The aggregate net **[REDACTED]** from the **[REDACTED]** (after deducting **[REDACTED]** fees and estimated expenses in connection with the **[REDACTED]** and assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the indicative **[REDACTED]** range) will be approximately HK$**[REDACTED]**. We intend to apply the net **[REDACTED]** from the **[REDACTED]** as follows:

- Approximately HK$**[REDACTED]**, representing approximately **[REDACTED]**% of the estimated net **[REDACTED]**, will be used to fund the upfront costs and expenses of our projects;

- Approximately HK$**[REDACTED]**, representing approximately **[REDACTED]**% of the estimated net **[REDACTED]**, will be used to acquire new machinery;

- Approximately HK$**[REDACTED]**, representing approximately **[REDACTED]**% of the estimated net **[REDACTED]**, will be used to invest in the research and development of AI and other innovative technologies for application in our business operations to further enhance our quality, efficiency and safety standard;

- Approximately HK$**[REDACTED]**, representing approximately **[REDACTED]**% of the estimated net **[REDACTED]**, will be used to strengthen our manpower; and

- Approximately HK$**[REDACTED]**, representing approximately **[REDACTED]**% of the estimated net **[REDACTED]**, will be used for general working capital.

[REDACTED]

Our **[REDACTED]** primarily consist of **[REDACTED]** and professional fees. Based on the mid-point of the indicative **[REDACTED]** range and assuming the **[REDACTED]** is not exercised, total **[REDACTED]** are estimated to be approximately HK$**[REDACTED]**, representing approximately **[REDACTED]**% of the estimated gross **[REDACTED]** of the **[REDACTED]**, of which approximately HK$**[REDACTED]** has been or will be charged to profit or loss and approximately HK$**[REDACTED]** will be accounted for as a deduction from equity. Prospective investors should note that our financial performance for **[REDACTED]** is expected to be affected by the **[REDACTED]**. For details, please refer to the paragraph headed "Financial Information — **[REDACTED]**" in this document.

RECENT DEVELOPMENT AND MATERIAL ADVERSE CHANGE

As part of the Reorganisation, the share capital of Riseship Construction was reduced from HK$19,400,000 to HK$3,400,000 pursuant to the shareholders' special resolution on 2 July 2026. Riseship Construction completed the registration of the above changes with the Companies Registry of Hong Kong on 7 August 2026. For details, please refer to the paragraph headed "History, Reorganisation and Corporate Structure — Reorganisation — 4. Change in Share Capital of Riseship Construction" in this document.

Subsequent to the Track Record Period and up to the Latest Practicable Date, we had submitted tenders and quotations for seven projects, of which two projects had been awarded to our Group and the results of the other five tenders and quotations were yet to be known as at the Latest Practicable Date. As at the Latest Practicable Date, we had nine projects on hand (including projects in progress and projects awarded to us but had not yet commenced) with an aggregate contract sum of approximately HK$165.6 million. As at the Latest Practicable Date, there was no material interruption to any of our ongoing projects.

Our Directors confirm that, save for the expenses in connection with the **[REDACTED]**, up to the date of this document, there has been no material adverse change in our financial position, profitability or prospects since 30 June 2026, and there had been no events since 30 June 2026 which would materially affect the information disclosed in our consolidated financial statements included in the accountants' report in Appendix I of this document.

NON-COMPLIANCE AND LITIGATION

As at the Latest Practicable Date, our Group was involved in an ongoing personal injury proceedings where an employee of a subcontractor of our Group who sustained personal injury while transporting construction waste materials from a construction site of our Group, commenced a legal action against us. For further details, please refer to the paragraph headed "Business — Legal proceedings and potential claims" in this document.

SUMMARY OF MATERIAL RISK FACTORS

Our business, results of operations and financial condition are subject to risks, including, among others:

- non-recurring nature of our demolition projects;
- incorrect estimation of our project operating costs and value of salvage materials to be derived in determining the tender or quotation price;
- occurrence of personal injuries, property damages, fatal accidents, suspension or non-renewal of our registration as a registered general building contractor and registered specialist contractor with the Buildings Department, under the Registered Specialist Trade Contractors Scheme of the Construction Industry Council, on the respective List of Demolition Contractors maintained by the Housing Authority and Urban Renewal Authority, or imposition of penalties for liability against our Group for workplace accidents that may not be covered by any insurance policies;
- risks relating to unsatisfactory performance of our subcontractors and shortage or delay of supply of construction materials; and
- the absence of a prior public market for the Shares and potential volatility in the **[REDACTED]** and liquidity of the Shares following **[REDACTED]**.

"3M2025"	the three months ended 30 June 2025
"3M2026"	the three months ended 30 June 2026
"Accountants' Report"	the accountants' report set out in Appendix I to this document
"Acting in Concert Confirmation"	a confirmatory deed in relation to parties acting in concert executed between Mr. Lo Cheuk Pui, Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong dated 24 August 2026. For details, please refer to the paragraph headed "Relationship with our Controlling Shareholders — Acting in Concert Confirmation" in this document
"affiliate(s)"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council
"Articles" or "Articles of Association"	the amended and restated articles of association of our Company conditionally adopted on [●] and will come into effect upon **[REDACTED]** (as amended, supplemented or otherwise modified from time to time), a summary of which is set out in Appendix III to this document
"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Board"	our board of Directors
"Building Authority"	the Building Authority of the Government
"Buildings Department"	the Buildings Department of the Government
"Business Day(s)" or "business day(s)"	day(s) on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"BVI"	British Virgin Islands
"**[REDACTED]**"	**[REDACTED]**
"Cayman Companies Act" or "Companies Act"	the Companies Act, Cap 22 (as revised) of the Cayman Islands, as amended, modified and supplemented from time to time
"**[REDACTED]**"	**[REDACTED]**

"**[REDACTED]**"	**[REDACTED]**
"**[REDACTED]**"	**[REDACTED]**
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules
"Cheuk Power Holding Limited"	Cheuk Power Holding Limited (焯力控股有限公司), a company incorporated in the BVI with limited liability on 9 July 2026, which is a direct wholly owned subsidiary of the Company
"China" or "PRC"	the People's Republic of China including but not limited to Hong Kong, Macau and Taiwan region but in the context of financial reporting purposes in this document only, refers to the geographical regions under direct PRC regulatory jurisdiction commonly known as mainland China excluding Hong Kong, Macau and Taiwan region
"close associate(s)"	has the meaning ascribed thereto under the GEM Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
"Company" or "our Company"	Cheuk Power International Holding Limited (焯力國際控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 19 August 2026 and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●], and holding company of all other companies in the Group
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Construction Industry Council"	the Construction Industry Council, a body corporate established under the Construction Industry Council Ordinance (Chapter 587 of the Laws of Hong Kong)

"Controlling Shareholders"	has the meaning ascribed to it under the GEM Listing Rules and, in the context of this document, refers to HonTide, Legacy Capital, Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Tong, Mr. Lo Siu Kai and Mr. Lo Cheuk Pui
"core connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Deed of Indemnity"	the deed of indemnity dated 24 August 2026 entered into by Mr. Lo Cheuk Pui and Legacy Capital in favour of our Company (on its own behalf and as the trustee for each of its subsidiaries) to provide certain indemnities, further information on which is set forth in the paragraph headed "Statutory and General Information — F. Other Information — 1. Deed of Indemnity" in Appendix IV to this document
"Deed of Non-competition"	the deed of non-competition dated 24 August 2026 entered into by our Controlling Shareholders in favour of our Company (for ourselves and for the benefit of each of our subsidiaries) regarding the non-competition undertakings, details of which are set out in the paragraph headed "Relationship with our Controlling Shareholders — Deed of Non-competition" in this document
"Director(s)" or "our Director(s)"	director(s) of our Company
"EMSD"	the Electrical and Mechanical Services Department of the Government
"ESG"	environmental, social and governance
"Exchange Participant(s)"	a person: (a) who, in accordance with the GEM Listing Rules, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
"Frost & Sullivan"	Frost & Sullivan Limited, an independent industry research consultant commissioned to prepare the Frost & Sullivan Report
"Frost & Sullivan Report"	the market research report prepared by Frost & Sullivan

"FINI"	"Faster Interface for New Issuance", an online platform operated by **[REDACTED]** that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listing of securities
"FY2025"	the financial year ended 31 March 2025
"FY2026"	the financial year ended 31 March 2026
"GEM"	GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"General Rules of **[REDACTED]**"	the General Rules of **[REDACTED]** and as may be amended, supplemented or otherwise modified from time to time and where the context so permits, shall include the **[REDACTED]** Operational Procedures
"Government"	the Government of Hong Kong
"Group", "our Group", "we", "our" or "us"	our Company and its subsidiaries or, where the context so requires, in respect of the period before our Company becoming the holding company of our present subsidiaries, the present subsidiaries of our Company and the businesses carried out by them or their predecessors (as the case may be), and "we", "our" or "us" shall be construed accordingly
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Stock Exchange in December 2023, with effect from 1 January 2024, as amended and supplemented from time to time
"HK$" or "HK dollars"	Hong Kong dollars
"HKFRS(s)"	HKFRS Accounting Standards (including all individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants
"**[REDACTED]**"	**[REDACTED]**

"**[REDACTED]** channel"	the **[REDACTED]** for the **[REDACTED]** to be issued in the name of **[REDACTED]** and deposited directly into **[REDACTED]** to be credited to your designated **[REDACTED]** Participant's stock account through causing **[REDACTED]** to apply on your behalf, including by instructing your broker or custodian who is a **[REDACTED]** Participant to submit electronic **[REDACTED]** on your behalf through FINI in accordance with your instruction
"**[REDACTED]**"	**[REDACTED]**
"**[REDACTED]** Operational Procedures"	the operational procedures of **[REDACTED]**, containing the practices, procedures and administrative or other requirements relating to **[REDACTED]**'s services and the operations and functions of **[REDACTED]**, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through **[REDACTED]**, as from time to time in force
"**[REDACTED]** Participant"	a participant admitted to participate in **[REDACTED]** as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"**[REDACTED]**"	**[REDACTED]**
"HonTide"	HonTide Holding Limited (恆泰控股有限公司), a company incorporated in the BVI with limited liability on 8 July 2026, one of our Controlling Shareholders, the issued share capital of which is owned by Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong as to approximately 42.4%, 3.6%, 36.0% and 18.0%, respectively
"Housing Authority"	the Hong Kong Housing Authority, a statutory body in Hong Kong established under the Housing Ordinance (Chapter 283 of the Laws of Hong Kong) which is responsible for developing and implementing Hong Kong's public housing programme
"Independent Third Party(ies)"	individual(s) or company(ies) who is (are) not a connected person(s) of our Company within the meaning ascribed under the GEM Listing Rules
"Latest Practicable Date"	16 August 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

"Legacy Capital"	Legacy Capital International Holding Limited (承業控股有限公司), a company incorporated in the BVI with limited liability on 8 July 2026, one of our Controlling Shareholders, which is wholly owned by Mr. Lo Cheuk Pui
"**[REDACTED]**"	**[REDACTED]**
"**[REDACTED]**"	**[REDACTED]**
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of our Company adopted on [●] and effective from the **[REDACTED]** or where the context requires, as amended, supplemented or otherwise modified from time to time
"Mr. Lo Cheuk Pui"	Mr. Lo Cheuk Pui (勞焯培), our executive Director, chairman of our Board, chief executive officer, one of our Controlling Shareholders, and brother of Mr. Lo Siu Tong and Mr. Lo Siu Kai
"Mr. Lo Kam Kenny"	Mr. Lo Kam Kenny (勞鑑), our founder, the chief technical officer of our Group, one of our Controlling Shareholders, spouse of Ms. Mak Wai Chun and father of Mr. Lo Siu Tong, Mr. Lo Siu Kai and Mr. Lo Cheuk Pui
"Mr. Lo Siu Kai"	Mr. Lo Siu Kai (勞紹佳), an executive Director, the site manager of our Group, one of our Controlling Shareholders, and brother of Mr. Lo Siu Tong and Mr. Lo Cheuk Pui
"Mr. Lo Siu Tong"	Mr. Lo Siu Tong (勞紹棠), one of our Controlling Shareholders and brother of Mr. Lo Siu Kai and Mr. Lo Cheuk Pui
"Ms. Mak Wai Chun"	Ms. Mak Wai Chun (麥惠珍), one of our Controlling Shareholders, spouse of Mr. Lo Kam Kenny and mother of Mr. Lo Siu Tong, Mr. Lo Siu Kai and Mr. Lo Cheuk Pui
"**[REDACTED]**"	**[REDACTED]**
"**[REDACTED]**"	**[REDACTED]**

"**[REDACTED]**"	**[REDACTED]**
"**[REDACTED]**"	**[REDACTED]**
"**[REDACTED]**"	**[REDACTED]**
"**[REDACTED]**"	**[REDACTED]**
"Power Construction"	Power Construction Company Limited (威力聯營工程有限公司), a company incorporated in Hong Kong with limited liability on 16 January 2025, which is an indirect non wholly owned subsidiary of the Company
"PRC"	the People's Republic of China and, except where the context otherwise requires and for the purpose of this document only, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"**[REDACTED]**"	**[REDACTED]**

"**[REDACTED]**"	**[REDACTED]**
"**[REDACTED]** Investment"	the **[REDACTED]** investment in our Company made by the **[REDACTED]** Investors, details of which are set out in "History, Reorganisation and Corporate Structure — **[REDACTED]** Investment" in this document
"**[REDACTED]** Investor(s)"	**[REDACTED]**
"**[REDACTED]**"	**[REDACTED]**
"**[REDACTED]**"	**[REDACTED]**
"**[REDACTED]**"	**[REDACTED]**
"**[REDACTED]**"	**[REDACTED]**
"Reorganisation"	the Reorganisation of the group of companies now comprising our Group conducted in preparation for the **[REDACTED]**, details of which are set out in the section headed "History, Reorganisation and Corporate Structure" in this document
"Riseship Construction"	Riseship Construction Company Limited (威業工程有限公司), a company incorporated in Hong Kong with limited liability on 4 May 1993 and is an indirect wholly owned subsidiary of the Company

"Riseship Engineering Co."	Riseship Engineering Co. (威業工程公司), a sole proprietorship established by Mr. Lo Kam Kenny in 1989 in Hong Kong
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
"Share(s)"	the ordinary share(s) with par value of HK$0.01 each in the share capital of our Company
"**[REDACTED]**"	the **[REDACTED]** and the **[REDACTED]**
"**[REDACTED]**"	**[REDACTED]**
"Shareholder(s)"	holder(s) of Share(s)
"Sole Sponsor", "**[REDACTED]**", "**[REDACTED]**", "**[REDACTED]**" or "**[REDACTED]**"	Patrons Capital Limited, the sole sponsor for the **[REDACTED]** for the **[REDACTED]** and a corporation licensed under the SFO and permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the GEM Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buybacks, as amended, modified and supplemented from time to time
"Track Record Period"	FY2025, FY2026 and 3M2026
"**[REDACTED]**"	**[REDACTED]**
"**[REDACTED]**"	**[REDACTED]**

"UNI Real Estate"	UNI Real Estate Company Limited (裕利環球置業有限公司) (formerly known as Uni Construction Company Limited (裕利建築有限公司)), a company incorporated in Hong Kong with limited liability on 24 November 2003, the issued share capital of which is owned as to 40%, 30% and 30% by Mr. Lo Kam Kenny, Mr. Lo Cheuk Pui and Mr. Lo Siu Kai, respectively
"Urban Renewal Authority"	the Urban Renewal Authority, a statutory body in Hong Kong established under the Urban Renewal Authority Ordinance (Chapter 563 of the Laws of Hong Kong) to undertake, encourage, promote and facilitate urban renewal of Hong Kong
"US" or "U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"**[REDACTED]**"	**[REDACTED]**
"US$" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"**[REDACTED]**"	**[REDACTED]**
"**[REDACTED]**"	**[REDACTED]**
"%"	per cent.

Unless otherwise expressly stated or the context otherwise requires, in this document:

- *all references to times and dates refer to Hong Kong times and dates;*
- *all data in this document is as at the Latest Practicable Date;*
- *certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding; and*
- *all relevant information in this document assumes no exercise of the **[REDACTED]**.*

GLOSSARY OF TECHNICAL TERMS

This glossary contains certain definitions and technical terms used in this document in connection with our business. As such, some terms and definitions may not correspond to standard industry definitions or usage of such terms.

"AI"	artificial intelligence, a branch of computer science that develops systems capable of performing tasks that typically require human intelligence, such as perception, learning, reasoning, and decision-making
"CAGR"	compound annual growth rate, being the annualised rate of growth of a particular metric over a specified period, assuming the metric grows at a constant rate on a compounded basis over that period
"IoT"	Internet of Things, the integration of intelligent hardware devices, such as controllers, sensors, and modules, into industrial products and equipment, enabling them to connect, communicate and interact over digital networks
"ISO"	an acronym for a series of quality management and quality assurance standards published by International Organisation for Standardization, a non-government organisation based in Geneva, Switzerland, for assessing the quality systems of business organisations
"ISO 14001"	an environmental management system standard that maps out a framework that a company or organisation can follow to set up an effective environmental management system, to provide assurance to company management and employees as well as external stakeholders that environmental impact is being measured and improved
"ISO 14001:2015"	the 2015 version of the ISO 14001 standard
"ISO 45001"	an international standard setting out requirements for an occupational health and safety management system developed for managing the occupational health and safety risks associated with a business
"ISO 45001:2018"	the 2018 version of the ISO 45001 standard
"ISO 9001"	a quality management system standard that is based on a number of quality management principles including a strong customer focus, the motivation and implication of top management, the process approach and continual improvement
"ISO 9001:2015"	the 2015 version of the ISO 9001 standard

"OHSAS 18001"	an international standard setting out requirements for an occupational health and safety management system developed for managing the occupational health and safety risks associated with a business, which has been replaced by ISO 45001
"OHSAS 18001:2007"	the 2007 version of the OHSAS 18001 standard

FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. All statements other than statements of historical facts contained in this document, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe", "expect", "estimate", "predict", "aim", "intend", "will", "may", "plan", "consider", "anticipate", "seek", "should", "could", "would", "continue" or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among other things, the following:

- our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our business operations and prospects;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- capital market developments;
- any changes in the laws, rules and regulations of the government in Hong Kong and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans; and
- various business opportunities that we may pursue.

Additional factors that could cause our actual performance or achievements to differ materially include, but are not limited to, those disclosed in the section headed "Risk Factors" in this document and elsewhere in this document. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as at the date of this document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section.

*Potential investors of the **[REDACTED]** should carefully consider all of the information set out in this document and, in particular, the following risks and special considerations associated with an investment in our Company before making any investment decisions in relation to our Company. If any of the possible events as described below materialises, our Group's business, financial position and prospects could be materially and adversely affected and the market price of the **[REDACTED]** could fall significantly.*

This document contains certain forward-looking statements relating to our Group's plans, objectives, expectations and intentions which involve risks and uncertainties. Our Group's actual results may differ materially from those as discussed in this document. Factors that could contribute to such differences are set out below as well as in other parts in this document.

RISKS RELATING TO OUR BUSINESS

Our demolition projects are non-recurring in nature and failure of our Group to secure new projects could materially and adversely affect our results of operations and financial performance

Our demolition contracts are on a non-recurring and project basis. As our contracts are non-recurring in nature, we cannot guarantee that we will continue to secure new projects from our customers after the completion of the existing projects. While we obtain new demolition projects through tender or quotation, a majority of our revenue during the Track Record Period was derived from projects secured by tender. Our tender/quotation success rates were approximately 25.6%, 26.3% and 28.6% for FY2025, FY2026 and 3M2026, respectively. There is no assurance that we will be invited to or are made aware of the tendering process or our tenders will be selected by our customers. In addition, according to the Frost & Sullivan Report, most of the customers in the demolition industry in Hong Kong have maintained evaluation system to review their contractors' performance in terms of work quality and regulatory compliance, financial capability and reputation. If a contractor receives a poor safety performance review or a workplace accident occurs, the result of its evaluation and its tender/quotation success rate may be adversely affected. In serious cases, the contractor may be suspended from tendering for new contracts. There is no assurance that our overall performance is satisfactory to all of our customers. In the event that we are unable to maintain business relationship with our existing customers, or unable to secure new projects or obtain similar number of projects and maintain our tender/quotation success rate, our results of operations and financial performance will be materially and adversely affected.

We have not entered into long-term agreements with our customers or salvage materials buyers and we cannot assure that our customers will continue to engage our services or our salvage materials buyers will continue to purchase our salvage materials

Our ability to maintain good business relationship with our customers and salvage materials buyers is crucial to our ongoing growth and profitability. Our demolition contracts are on a non-recurring and project basis. We may receive proceeds from disposal of salvage materials while we undertook demolition works at our demolition site. We have not entered into any long-term agreements with our customers or salvage materials buyers. The demand for our demolition services and salvage materials may change due to a number of factors, some of which may be beyond our control such as changes in

their businesses, personnel, sourcing policies, economic conditions, import and export regulations, market supply and demand conditions of demolition services and/or recyclable demolition wastes and change in environmental and conservation regulations.

In the event that there was a decrease in the demand for our demolition services or salvage materials and we are unable to identify new customers and/or salvage materials buyers, our Group's results of operations and financial performance will be materially and adversely affected.

Incorrect estimation of our project operating costs and value of salvage materials to be derived in determining the tender or quotation price will materially and adversely affect our profitability and financial performance

During the Track Record Period, a majority of our revenue was derived from projects secured by tender. We determine our tender or quotation price primarily by estimating our operating costs with a certain percentage of markup. For projects involving removal of salvage materials services, our tendering or quotation price will also have taken into account the discounted estimated value of the salvage materials which would be derived from the project. Our contracts with customers typically have a fixed and pre-determined fee throughout the contract period. Please refer to the section headed "Business — Our operational flow — Tender or quotation — Preparation of tender proposal or quotation — Pricing strategy" in this document for details of our pricing strategy.

During the Track Record Period and up to the Latest Practicable Date, there was no cost overrun or loss-making project. Nonetheless, there is no assurance that the actual amount of time and costs incurred during the performance of our projects would not exceed our estimation. The actual amount of time and costs incurred in completing a project may be adversely affected by many factors, including unforeseen site conditions, adverse weather conditions, accidents, non-performance by our subcontractors, unexpected significant increase in costs of materials agreed to be borne by us, unexpected increase in the amount of rectification works requested by our customers and the Government and other unforeseen problems and circumstances. Any material inaccurate estimation in the time and costs involved in a project may give rise to delays in completion of works and/or cost overruns, which in turn may materially and adversely affect our Group's financial condition, profitability and liquidity.

The total actual value of work done may differ from the original estimated contract sum stated in our contracts with customers

Our customers may request addition, reduction or alteration of works beyond the scope of the contract during project implementation by placing variation orders with us. The aggregate amount of revenue that we are able to derive from a project may be different from the original estimated contract sum specified in the relevant contract due to variation orders placed by our customers. For further details of our variation orders, please refer to the paragraph headed "Business — Customers — Major terms of engagement with our customers — Principal terms of engagement with our customers — Terms of engagement with project owners" in this document. As such, there is no assurance that the amount of fees and charges as finally agreed with our customers would be sufficient to recover our costs incurred or provide us with a reasonable profit margin or the amount of revenue derived from our projects will not be substantially different from the original estimated contract sum as specified in the relevant contracts. Our financial condition may be adversely affected by any decrease in our revenue as a result of variation orders. Therefore, there is no assurance that our revenue and profit margin in the future will remain at a level comparable to those recorded during the Track Record Period.

We are subject to stringent measures to protect the occupational health and safety of workers and failure to maintain safe construction sites and/or implement our safety management system may lead to the occurrence of personal injuries, property damages, fatal accidents, suspension or non-renewal of our registrations as a registered general building contractor and registered specialist contractor with the Buildings Department, under the Registered Specialist Trade Contractors Scheme of the Construction Industry Council, on the respective List of Demolition Contractors maintained by the Housing Authority and Urban Renewal Authority, or imposition of penalties for liability for workplace accidents that may not be covered by any insurance policies

Due to the nature of works in construction sites, risks of accidents or injuries to workers are inherent. Notwithstanding our occupational health and safety measures that are required to be followed by employees of our Group and our subcontractors, accidents leading to personal injuries, property damages and/or fatal accidents remain an inherent risk at work sites. There is no assurance that there will not be any violation of our safety measures or other related rules and regulations by the employees of our Group or our subcontractors. Any such violation may lead to higher probability of occurrences, increased seriousness of personal injuries, property damages and/or fatal accidents at work sites, which may materially and adversely affect our business operations as well as our financial position to the extent not covered by insurance policies. Also, failure to maintain safe construction sites and/or to implement safety management measures resulting in the occurrence of serious personal injuries or fatal accidents may lead to negative publicity and/or suspension or non-renewal of our registrations as a registered general building contractor and registered specialist contractor with the Buildings Department, under the Registered Specialist Trade Contractors Scheme of the Construction Industry Council or on the respective List of Demolition Contractors maintained by the Housing Authority and Urban Renewal Authority, which in turn adversely affect our reputation, financial position and results of operation.

We are and will continue to be subject to the increasing stringent measures to protect the occupational health and safety of workers under different sets of safety and health legislation in Hong Kong such as the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong). For details of the laws and regulations in relation to occupational health and safety, please refer to the section headed "Regulatory Overview — Laws and regulations in relation to labour, health and safety" in this document.

Any occurrence of workplace accidents or breach of the relevant health and safety regulations could subject us to a substantial fine and/or imprisonment, damage our reputation, or result in some or all of our projects being temporarily suspended or permanently shut down. There is no assurance that the Government will not impose more stringent measures to protect the occupational health and safety of workers such as increasing the imposition of penalties on construction contractors for liability for workplace accidents and increasing the required amount and coverage of employees' compensation insurance policies by enacting additional laws or regulations, amending or enforcing new regulations on occupational health and safety of workers in a more rigorous manner or with stronger deterrent effect of occupational safety and health offences. In case more stringent standards are imposed, we may need to incur additional costs and expenses in order to comply with any amended standards, which could result in increased operating and compliance costs and thus adversely affecting our financial condition and results of operations.

In addition, any personal injuries and/or fatal accidents to the employees of our Group and our subcontractors may lead to claims or other legal proceedings against our Group. Any such claims or legal proceedings could adversely and materially affect our financial position to the extent not covered by insurance policies. Also, notwithstanding the merits of any such claims or legal proceedings, we need to divert management resources and incur extra costs to handle these matters. Any such claims or legal proceedings could therefore have a material and adverse impact on our business operations.

During the Track Record Period and up to the Latest Practicable Date, we recorded four work-related accidents involving our employees and/or employees of our subcontractors in respect of project(s) which we were appointed as subcontractor of the main contractor/main contractor, and two accidents which occurred prior to the commencement of the Track Record Period but settled during the Track Record Period. For further details, please refer to the paragraph headed "Business — Occupational health and safety — Work accidents" in this document. Such accident record may adversely affect our industry reputation, which may in turn affect our prospects of receiving tender invitations from potential new customers or being awarded with future tenders from both our existing and potential new customers. Furthermore, we may have to incur additional costs to strengthen our safety management measures, such as recruiting additional safety supervision staff, which may have an adverse impact on our profitability.

There is no assurance that we will be able to renew our registrations as a registered general building contractor and registered specialist contractor with the Buildings Department, and under the Registered Specialist Trade Contractors Scheme of the Construction Industry Council

Riseship Construction, being our principal operating subsidiary, is currently a registered general building contractor and registered specialist contractor with the Buildings Department. Such registrations will expire in November 2027 and March 2027, respectively. Pursuant to section 9 of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong), all buildings works (including demolition) shall be carried out by registered general building contractor, while all specialised works (other than the specialised works designated as minor works) shall be carried out by registered specialist contractors. Renewal of registration as a registered general building contractor and registered specialist contractor is required every three years. Besides, Riseship Construction is currently a registered specialist trade contractor under the Registered Specialist Trade Contractors Scheme (formerly known as the Subcontractor Registration Scheme) maintained by the Construction Industry Council, whose registration will next expire in September 2026. Subcontractors engaged under public sector projects initiated by the Government are generally required to possess registration under the Registered Specialist Trade Contractors Scheme of the Construction Industry Council. Renewal of registration under the Registered Specialist Trade Contractors Scheme is required every three years and is generally subject to certain technical and relevant industry experience requirements. For details of our registrations with the Buildings Department and the Construction Industry Council, please refer to the paragraph headed "Business — Qualifications and certifications — Licences and permits" and "— Other qualifications" in this document. There is no assurance that we will be able to renew such registrations every time in the future. In the event of non-renewal of such registrations, our reputation, our ability to obtain future businesses, and our business and financial position and prospects could be materially and adversely affected.

Failure to remain on the Lists of Demolition Contractors maintained by the Housing Authority and Urban Renewal Authority may result in a decrease in business opportunities and significantly hinder our business and affect our future financial results

Riseship Construction has been included in the List of Demolition Contractors maintained by the Housing Authority with probationary status since October 2024 and the List of Demolition Contractors maintained by the Urban Renewal Authority since 2018. The Housing Authority and Urban Renewal Authority normally invite tenders for demolition works contracts from among those listed contractors on the respective List of Demolition Contractors.

The retention on the Lists of Demolition Contractors is subject to certain financial, technical and management requirements as elaborated under the paragraphs headed "Regulatory Overview — Laws and regulations in relation to contractor licensing regime and operation — List of Demolition Contractors maintained by the Housing Authority and List of Demolition Contractors maintained by the Urban Renewal Authority" in this document. The Housing Authority reserves the right to remove any contractor from the List of Demolition Contractors or take other regulatory actions against a contractor such as restriction or suspension from tendering, or where applicable, downgrading from confirmed status to probationary status, or demotion to a lower group in respect of all or any category of works if doubts arise as to the ability of a contractor to meet such criteria. The Urban Renewal Authority may remove a contractor from the List of Demolition Contractors or suspend the contractor from tendering in certain circumstances.

In the event that Riseship Construction fails to fulfill any of the applicable criteria and remain on any of the Lists of Demolition Contractors or if any of the aforesaid regulatory actions is taken against it such as suspension, we will not be able to obtain new demolition works projects from the Housing Authority or Urban Renewal Authority as main contractor, thereby materially and adversely affecting our prospects, business and financial condition.

Our Group is dependent on our key personnel and there is no assurance that we can retain them

Our Directors believe that our success and growth has been, to a large extent, attributable to our Directors and senior management. Our key personnel together with their operational and management experience in the demolition industry have provided significant contributions to various key aspects of our business, including maintenance of business relationship with our customers and other business partners, pricing strategy and technical skills involved in project execution. In particular, we rely on the leadership and management of Mr. Lo Cheuk Pui, our executive Director, chairman of our Board and chief executive officer and one of the Controlling Shareholders, who has significant contributions to various key aspects of our business. Mr. Lo Kam Kenny, our founder and the chief technical officer of our Group, also has over 60 years of experience in the construction industry. We also rely on our experienced senior management team to ensure the smooth operations of our projects and day-to-day business. For details of the qualifications and experience of our Directors and senior management, please refer to the section headed "Directors and Senior Management" in this document. Our success and growth therefore largely depends on our ability to identify, hire, train and retain experienced, skilled and qualified key personnel. If any of our key personnel ceases to be involved in our Group in the future and we are unable to find suitable replacements in a timely manner, there will be a material and adverse impact on our business operations and financial performance.

Most of our revenue during the Track Record Period was derived from projects awarded by our five largest customers and any significant decrease in the number of projects with our five largest customers may materially and adversely affect our financial performance

For FY2025, FY2026 and 3M2026, the number of our customers with revenue contribution to our Group was 17, ten and nine, respectively. A significant portion of our revenue was derived from our five largest customers for each year and period during the Track Record Period. For FY2025, FY2026 and 3M2026, our five largest customers for each year/period contributed revenue of approximately HK$49.9 million, HK$111.7 million and HK$34.5 million in aggregate to our Group, respectively, which accounted for approximately 64.6%, 81.7% and 79.9% of our total revenue for the corresponding financial years/period, respectively. In particular, our largest customer for FY2025, FY2026 and 3M2026 contributed revenue of approximately HK$15.6 million, HK$83.0 million and HK$21.7 million to our Group, respectively, which accounted for approximately 20.1%, 60.7% and 50.2% of our total revenue for each year/period during the Track Record Period, respectively.

During the Track Record Period, the majority of our total revenue was derived from project-based works. There is no assurance that we will continue to obtain contracts from our major customers in the future. If there is a significant decrease in the number of projects awarded by our major customers, and we are unable to secure suitable projects of a comparable size and quantity as replacement from other customers, our financial conditions and operating results would be materially and adversely affected.

We derived a portion of our revenue from the disposal of salvage materials and the fluctuation of the price of salvage materials or any decrease in demand of our salvage materials from salvage materials buyers could materially and adversely affect our results of operations and financial performance

For FY2025, FY2026 and 3M2026, we derived approximately 11.7%, 28.9% and 30.1% of our total revenue from the disposal of salvage materials such as ferrous and non-ferrous metal to third party salvage materials buyers, respectively. The prices of each type of salvage materials may be subject to fluctuation as a result of various factors beyond our control, such as the global economic and financial conditions, sourcing policies of the salvage materials buyers, import and export regulations, supply and demand conditions of the relevant materials and change in environmental and conservation regulations in Hong Kong and overseas countries. In addition, since our Group has not entered into any long-term contracts with the salvage materials buyers for our disposal of salvage materials, our selling prices of salvage materials are subject to market fluctuation from time to time. In the event there is a material decrease in the price of salvage materials, our profitability and financial performance will be materially and adversely affected.

Besides, there is no assurance that these major salvage materials buyers will continue to purchase salvage materials from our Group or our Group can maintain our relationship with them in the future. In the event that our Group is unable to retain these salvage materials buyers, or seek replacement salvage materials buyers, our business, results of operations, profitability, financial performance and liquidity may be adversely affected.

Our historical revenue and profitability may not be indicative of our long-term and future financial performance

For FY2025, FY2026 and 3M2026, our revenue amounted to approximately HK$77.3 million, HK$136.8 million and HK$43.2 million, respectively; while we recorded net profit amounted to approximately HK$8.6 million, HK$24.2 million and HK$9.4 million for FY2025, FY2026 and 3M2026, respectively. We did not enter into any long-term agreement with our customers and/or other third parties such as salvage materials buyers in respect of our demolition services and disposal of salvage materials. Revenue from our demolition services is recognised over time as the project owners simultaneously receives and consumes the benefits provided by the Group as the demolition services are performed. The measure of demolition progress is determined based on the proportion of costs incurred to-date to the estimated total costs for each service. Thus, revenue from our demolition services projects may be recognised across financial years. Revenue and profitability of our demolition services vary for different projects depending on, among others, the scale and complexity of the projects, amount and type of salvage materials available for disposal, price of the salvage materials, and the resources such as machinery and labour deployed by us.

As such, our historical revenue and profitability are a mere analysis of our past performance and may not be indicative of our long-term and future financial performance which may depend on, among others, the nature of demolition projects we undertake, our capacity to secure new business opportunities and ability to control our costs. There is no assurance that our profit margin will not fluctuate in the future and that we will be able to achieve the performance as we did during the Track Record Period. Investors should not solely rely on our historical financial information as an indication of our future financial or operating performance.

Our cash flows may fluctuate or deteriorate due to the potential mismatch in the timing between the receipt of payment from our customers and salvage materials buyers, and payment to our suppliers or subcontractors

We generally do not receive any sums as prepayment for our demolition projects from our customers. For our demolition projects, we generally incur net cash outflows at the early stage of the projects for purchasing materials, setting up site office if required, renting machinery and equipment and providing our services before payments are received from our customers. Our customers normally pay progress payments after our works commence and we receive proceeds after we dispose salvage materials removed from our demolition works (if applicable). Therefore, the cash flows of a particular project will turn from net outflows at the early stage into accumulative net inflows gradually as the works progress and when we receive proceeds from disposal of salvage materials.

Since our cash flows may vary depending on the progress, nature and number of projects which we undertake and the services we provide, there is no assurance that we can maintain a stable cash flow in each financial year/period nor is there any assurance that our cash outflow of a particular project or service could always be compensated by the cash inflows of other projects or income.

In addition, we rely on cash inflow from our customers or salvage materials buyers to meet our payment obligations to our suppliers and subcontractors. Our cash inflow is dependent on the prompt settlement from our customers or salvage materials buyers upon our provision of services and/or salvage materials. However, even if our customers settle our invoices in a timely manner and in full, there is no assurance that we will not experience any significant cash flow mismatch. Cash flow mismatch could

result in net cash used in operating activities, and if the mismatch becomes significant, we will have to rely on bank facilities in order to meet our payment obligations. If we are unable to do so, we will be in default of our payment obligations and may not be able to expand our business. Thus, our business, results of operations and financial performance may be materially and adversely affected.

If we are unable to meet our payment obligations, our business, financial condition and results of operations may be materially and adversely affected

We cannot assure you that we will be able to generate positive net cash flows from operating activities in the future. Net operating cash outflow could impair our ability to make necessary capital expenditures and constrain our operational flexibility as well as adversely affect our ability to meet our liquidity requirements. For example, if we do not have sufficient net cash flow to fund our future capital requirements, pay our trade and other payables or repay our outstanding debt obligations when they become due, we may need to significantly increase external borrowings or secure other external financing. We will incur additional financing costs and we cannot guarantee that we will be able to obtain financing on terms acceptable to us, or at all. If no adequate funds are available, whether on satisfactory terms or at all, we may be forced to delay or curtail our operations, our development and expansion plans or to raise funds at terms that are not favourable to our Company. As a result, our business, financial condition and results of operations may be materially and adversely affected.

We are subject to delays or defaults in collecting our trade receivables which may materially and adversely affect our credit risk and financial position

For our demolition projects, we normally make progress claims to our customers according to our work done which is subject to our customers' approval. As at 31 March 2025, 31 March 2026 and 30 June 2026, we recorded trade receivables of approximately HK$8.4 million, HK$6.1 million and HK$1.4 million, respectively. Our trade receivables turnover days were approximately 29.2 days, 19.4 days and 7.9 days for FY2025, FY2026 and 3M2026, respectively. There is no assurance that payment will be made to us on a timely and full basis. If our customers or third parties fail to pay us on time or in full, our cash flow, working capital and financial performance may be materially and adversely affected.

We may not be able to bill and receive the full amount of contract assets, and our liquidity and financial position may be materially and adversely affected

Contract assets are recognised if our right to payment for services transferred to our customer exceed the billings issued. Our right to payment for services transferred to our customer is determined based on (i) the estimated total transaction price; and (ii) the progress of the demolition project (which is determined based on the proportion of costs incurred to-date to the estimated total costs for each demolition project). Due to the contiguous and inseparable demolition works performed by us, the estimated total transaction price includes not only the fixed amount of contract sum received or receivable directly from the project owners, but also a variable consideration in the form of proceeds from disposal of salvage materials removed from the demolition sites to third party salvage materials buyers (if applicable), and we normally issue the progress billings to the project owners after our works commence and we generally receive proceeds from the disposal of salvage materials (if any) throughout the duration of our projects as we undertake demolition works at the demolition sites. As a result, depending on the different working stages of our projects as at the end of each financial period, we may recognise significant amount of contract assets before billings have been made to our customers. As at 30 June 2026, the amount of contract assets which remained unbilled was approximately HK$18.4

million. As we may not be able to reach an agreement with the customers on the total value of our work done or there may be an incorrect estimation of the proceeds from disposal of salvage materials to be derived, there is no assurance that we will be able to bill and receive the full amount of contract assets. If we are not able to do so, our results of operation, liquidity and financial position may be materially and adversely affected. Additionally, we cannot assure you that the financial position of our customers will remain solvent or that our customers will settle our bill on time or that we will be able to recover our contract assets in full or at all in the future.

Inability to complete our projects on a timely basis could materially and adversely affect our financial performance and reputation and could lead to claims from customers

Delay in project can be due to various factors, including but not limited to, adverse weather conditions, workplace accidents, delays by our subcontractors, shortage of manpower, malfunctioning of machinery, other unforeseeable factors and factors beyond our control. If there is a delay in our projects, we may experience delay in issuing invoice to our customers and receiving proceeds from our disposal of salvage materials from demolition. Therefore, delay in our demolition project will affect our financial performance in terms of revenue and operational cash flows.

Our contracts with customers of our demolition services generally contain a liquidated damages clause under which we are liable to pay liquidated damages to our customers if we are unable to deliver or perform the contractual works within the time specified in the contract. Liquidated damages are generally calculated at a fixed rate on a daily basis. If there is any delay on our part in completion of a project, we may be liable to pay liquidated damages under the contract. There is no assurance that there will not be any delay in our existing and future projects resulting in claims in relation to liquidated damages, which in turn will have adverse impact on our reputation, business, financial condition and results of operations.

Our profitability may be affected by the potential increase in depreciation expenses and staff costs upon our planned acquisition of additional machinery and planned recruitment of additional staff

Our business strategies and **[REDACTED]** include purchase of new machinery and equipment such as demolition robots and long boom excavator to improve our capacity. Please refer to the paragraph headed "Business — Business Strategies" and the section headed "Future Plans and **[REDACTED]**" in this document for the relevant details.

As a result of the intended purchase of additional machinery, it is expected that our **[REDACTED]** will be increased by approximately HK$**[REDACTED]** HK$**[REDACTED]** and HK$**[REDACTED]** for the years ending 31 March 2027, 2028 and 2029, respectively, which will be charged to our statements of comprehensive income and affect our financial performance after the **[REDACTED]**.

In addition to the acquisition of additional machinery, our business strategies also include the recruitment of additional staff by utilising a portion of the net **[REDACTED]** from the **[REDACTED]** so as to cope with our business development. Please refer to the section headed "Future Plans and **[REDACTED]**" in this document for details of the additional staff that we plan to employ by functions. Based on the intended timing of deployment of the net **[REDACTED]** for recruitment and retention of all the additional staff, it is estimated that additional staff costs of approximately HK$**[REDACTED]**, HK$**[REDACTED]** and HK$**[REDACTED]** will be incurred for the years ending 31 March 2027, 2028 and 2029, respectively.

Our planned investments in machinery and labour resources will increase our costs (including depreciation expenses and staff costs) but there is no assurance that there will be a satisfactory increase in our operational and financial performance as a result. Should we be unable to obtain more projects and increase our profitability after such planned investments, our business and financial position and prospects may be adversely affected.

Unsatisfactory performance by our subcontractors or unavailability of subcontractors may adversely affect our profitability, financial performance and reputation

Depending on the availability of our labour resources and the opportunity cost of undertaking the work by our own workers and resources, we may subcontract part of our works to our subcontractors. For further details, please refer to the section headed "Business — Suppliers — Reasons for subcontracting arrangements" in this document. For FY2025, FY2026 and 3M2026, we incurred subcontractor charges of approximately HK$38.8 million, HK$39.1 million and HK$11.4 million, which represented approximately 66.6%, 40.1% and 40.1% of our total cost of services in the same years/ period respectively.

Subcontracting exposes us to certain risks such as delayed performance and substandard performance by subcontractors and potential shortage of qualified and experienced subcontractors. There is no assurance that we are able to supervise the performance of our subcontractors as directly and efficiently as with our own employees or hire suitable subcontractors according to our business needs. If our subcontractors' works are delayed or substandard, we will be liable for our subcontractors' default and we may incur additional costs and time to supervise our subcontractors' work and subject to claims by our customers. Accordingly, our profitability, financial performance and reputation will be materially and adversely affected.

We rely on our suppliers for construction materials, and any shortage or delay of supply, or deterioration in the quality, of the same could materially and adversely affect our operations, and we may not be able to identify an alternative source of stable supply with acceptable quality and price

We rely on our suppliers for stable and timely delivery of construction materials which should meet our/our customers' specifications. For FY2025, FY2026 and 3M2026, we incurred construction material costs of approximately HK$3.1 million, HK$6.7 million and HK$2.2 million, respectively, representing approximately 5.3%, 6.8% and 7.7% of our total cost of services for the respective years or period. If there is any shortage of such materials, or material delay in delivery by our suppliers, or the delivered materials fail to comply with our/our customers' specifications, we may fail to complete our projects on time or at all. There is no guarantee that we would be able to identify suitable alternative sources of supply with acceptable quality and price. Further, even if we could do so, there can be no assurance that we would not encounter similar problems with them in the future. In such event, our reputation, business operations and financial results may be adversely affected. If there is any deterioration in the quality of construction materials from our suppliers, and we are unable to detect the defective materials or identify suitable alternative sources, the progress and quality of our works could be materially and adversely affected, thereby damaging our reputation and adversely affecting our financial results.

Our operations may subject us to litigations, claims or other disputes

Our Group may be involved in disputes arising from our business operations, which may lead to legal proceedings or claims. We may encounter disputes arising from contracts or transactions with customers, subcontractors, suppliers or other third parties, which may involve claims against them or us such as on quality, delay in payments, our services or damage caused to their properties. Claims against us by our customers may involve defective works, substandard works, unfinished works or delays in the completion of contracts, casualties, property damages which may result in us incurring liquidated damages under the terms of our contracts with our customers. We may also be liable for the injuries of our employees, our subcontractors' employees or third parties. During the Track Record Period and up to the Latest Practicable Date, we were involved in certain employees' compensation claims and personal injury claims which arose in the ordinary course of our business. Please refer to the paragraph headed "Business — Legal proceedings and potential claims" in this document for further details.

There is no assurance that we will not be involved in any disputes or legal proceedings. Should any claims against us fall outside the scope and/or limit of our insurance coverage, our financial performance may be materially and adversely affected. Claims involving us could result in time-consuming and costly litigations, arbitration, administrative proceedings or other legal procedures and the expenses we incur in legal proceedings or arising from claims brought by or against us could have a material and adverse effect on our business operations, financial performance and prospects. Moreover, legal proceedings resulting in unfavourable judgment or findings may harm our reputation, cause financial losses and damage our prospects of winning future contracts, thereby materially and adversely affecting our business operations, financial performance, and prospects.

Our business plans and strategies may not be implemented successfully or be achieved within the expected time frame or within the estimated budget

Our Directors consider that our future plans and business strategies have been prepared after due and careful enquiry by reference to, among others, the expected future prospects of the demolition industry in Hong Kong, our track record and competitive advantages and other factors considered relevant. Some of our future business plans are based on certain assumptions. The successful implementation of our business plan may be affected by various factors such as the government policies relevant to our industry, the economic conditions, availability of sufficient funds, our ability to maintain existing competitive advantages, our relationships with customers and other business partners and the threat of substitutes and new market entrants. Our business plans and strategies may be hindered by risks including but not limited to those mentioned in this section. There is no assurance we will be able to successfully maintain or increase our market share or expand our business operations successfully after deploying our management and financial resources. There is also no assurance our business plans can be successfully implemented or achieved within the expected time frame or within the estimated budget. Should there be any material adverse change in our operating environment which results in our failure to implement any part of our business plans, our prospects may be adversely affected.

Furthermore, the increase in cost as a result of the **[REDACTED]** (primarily attributable to compliance costs after **[REDACTED]**, such as costs for engaging compliance adviser, legal advisers and other professionals) and the additional costs for funding upfront costs of our projects, acquiring machinery and investing in research and development of AI and other innovative technologies for

application in our business operations to further enhance our quality, efficiency, and safety standards as contemplated under our business plans and business strategies may outweigh the increase in revenue in the short term, which in turn, have a material adverse impact on our financial performance.

We may be liable for damage caused to underground utilities, infrastructures or properties adjacent to our demolition sites when carrying our works

When we undertake demolition works, we may encounter electrical cables, water piping, telephone line and other utilities or infrastructures laid underground or below carriageways, footways and adjacent buildings and properties. Any such underground utilities and buildings, structures or infrastructures adjacent to our demolition sites may be affected or damaged during the implementation of our projects. If damage is made to those utilities or properties during our works, we may incur additional costs and time to arrange for and/or carry out remedial works. This may cause material delay in our project and we may face claims for losses and liquidated damages. In addition, we may also be subject to claims and disputes from third parties arising from the damage caused. If any of these events occurs, our business operations, financial performance and reputation will be materially and adversely affected.

Our insurance coverage may not be sufficient to cover all losses and/or potential claims

We have maintained different insurance policies such as contractors' all risks insurance for our projects and employees' compensation insurance for our staff. However, we cannot guarantee that our current levels of insurance are sufficient to cover all potential risks and losses. For example, insurance covering losses from acts of war, terrorism, or natural catastrophes is either unavailable or cost prohibitive. We may be subject to lawsuits and liabilities against which we are not insured adequately or at all or liabilities against which cannot be insured such as our ability to secure new contracts, to maintain business relationship with our customers, to estimate and manage our cost accurately, to maintain our licenses and certifications and to recruit and retain key personnel of our Group. Should any significant property damage or personal injury occur in our construction sites or to our employees due to accidents, natural disasters, or similar events which are not covered or inadequately covered by our insurance, our results of operations, business and financial performance will be materially and adversely affected.

Our business involves inherent industrial risks and occupational hazards and the occurrence of workplace accidents will affect our business operations, financial performance and reputation

During our operations, we follow all applicable laws and regulations in relation to occupational health and safety as well as environmental protection. We require our employees and subcontractors to adhere to and implement all safety procedures and measures as detailed in our safety policies. However, our business involves inherent industrial risks and occupational hazards, which may not be completely eliminated through implementation of safety measures. Our operations involve activities such as handling and operating machinery and equipment, handling and removing of demolition waste and working at height at the demolition sites. We are exposed to risks such as equipment failure, industrial accidents and fire. We cannot guarantee that our employees or subcontractors will strictly follow and will not violate all safety rules and procedures, nor can we guarantee that risks of occurrence of fire, personal injuries, property damage or fatal accidents will be completely eliminated in the future. The materialisation of any of the risks mentioned above may affect our regulatory compliance record, disrupt our business operations and damage our reputation, which may also affect the validity of our relevant qualifications, materially and adversely affect our results of operations and financial performance.

We are exposed to interest rate risks and our financial performance may be adversely affected

As at 31 March 2025, 31 March 2026 and 30 June 2026, our Group had bank borrowings amounted to approximately HK$4.5 million, HK$3.8 million and HK$5.6 million, respectively, which bore effective interest rate at 2.76%, 2.53% and ranging from 2.80% to 4.88% per annum, respectively. We have not hedged against interest rate risks. If there is any substantial increase in interest rate, our interest expenses, cash flows and financial performance may be adversely affected.

Events such as epidemics, natural disasters, adverse weather conditions, political unrest and terrorist attacks could significantly delay or prevent us from completing our projects or services.

Our operations are mostly conducted outdoors and subject to uncertainties and contingencies beyond our control. If inclement weather conditions persist or serious epidemics, natural disaster, political unrest, wars and terrorist occurs, we may be forced to reduce or suspend our operations and may fail to meet specific time schedule. It is difficult to predict the potential effect of the uncertainties and contingencies and their materiality to our operations as well as the effects to our customers, suppliers and subcontractors. In such cases, we may continue to incur operating expenses while we experience reduced income and profitability.

RISKS RELATING TO THE DEMOLITION INDUSTRY IN HONG KONG

We operate in a competitive industry

According to the Frost & Sullivan Report, the building demolition works market in Hong Kong is highly competitive. As of July 2026, there are 133 contractors registered as registered specialist contractors under the category of demolition works with the Buildings Department. New industry entrants entering our industry may need to possess the necessary machinery and equipment, requisite track record and management personnel with requisite experience, technical capability and qualifications. Some of our competitors may have certain advantages such as expertise in performing a particular type of projects, more aggressive pricing policies and established operation team. Any significant increase in new entrants or competition may result in lower operating margins and loss of market share, which may materially and adversely affect our results of operations, profitability and financial performance.

A reduction in the pipeline of redevelopment projects, demolition projects and construction projects in Hong Kong could materially affect our financial performance

Our Group is highly dependent on the pipeline of redevelopment projects, demolition projects and new building construction projects in Hong Kong which are affected by various factors such as the general economic conditions, government spending and policies, the demolition industry and factors beyond our control. Fewer available projects will result in more intense competition and a downturn in our industry may lead to tighter liquidity and slower collection and/or recovery of trade receivables. In the event the number of redevelopment projects, demolition projects and new building construction projects in Hong Kong are reduced, our results of operations and financial performance will be materially and adversely affected.

Our financial performance is heavily dependent on the state of economy in Hong Kong and in particular the market trend in the demolition and construction industry

During the Track Record Period, our revenue was derived from our operations in Hong Kong. Our financial performance is heavily dependent on the state of economy in Hong Kong. In the event of any unforeseen circumstances such as recession in Hong Kong's economy, natural disasters, terrorists attacks and any other incidents beyond our control occurring in Hong Kong, our business operations and financial performance may be materially and adversely affected.

Our Group is dependent on the construction industry in Hong Kong which is subject to cyclical fluctuations. A downturn in the construction industry in Hong Kong may have a material adverse impact on our business and profitability result from the possibility of postponement, delay or cancellation of demolition projects and delay in recovery of receivables.

There is a material shortage of skilled and experienced workers in the demolition industry in Hong Kong. If we are unable to retain or replace skilled and experienced workers, it may affect our business and there is no assurance that our labour costs will not increase

According to the Frost & Sullivan Report, one of the challenges to the demolition industry in Hong Kong is the material shortage of skilled and experienced workers, which is attributable to factors such as the physically demanding nature of demolition work, combined with an ageing workforce and competition from other higher-paying construction trades. Even without such shortage, we generally compete with other players in the similar businesses for skilled workers. There is no assurance that we will be able to maintain a sufficient labour force necessary for us to execute our business, nor is there any assurance that our staff costs will not increase to attract or maintain workers. We rely on our workers (including site works and machinery and equipment operators) for our business operations, and if we are unable to retain or replace skilled workers, we may be forced to increase our reliance on subcontractors or otherwise be unable to maintain the quality of our services. If this occurs, it could have a material and adverse effect on our results of operations and inhibit our future growth and expansion plans.

There is no assurance that our employees or our subcontractors' employees will comply with the smoking ban in construction sites which may result in fines being imposed against our Group

On 15 July 2026, the Legislative Council passed the Construction Sites (Safety) (Amendment) Regulation 2026 (the "**Amendment Regulation**") which sets out the legislative amendments on the Construction Site (Safety) Regulations (Chapter 59I of the Laws of Hong Kong) ("**CSSR**") and became effective on 17 July 2026. The Amendment Regulation amends regulation 53 of the CSSR to the effect that the contractor responsible for a construction sites and a contractor who has direct control over any construction work in the site would be required to take all reasonable steps to ensure that no person smokes or carries a lighted specified smoking product; or uses a naked light for lighting a specified smoking product in the site. Any contractor who contravenes the amended regulation 53(1) of the CSSR would commit an offence punishable on conviction to a maximum fine of HK$400,000. For details on the Amendment Regulation, please refer to the paragraph headed "Regulatory Overview — Laws and regulations in relation to labour, health and safety — Proposed amendments to the Construction Site (Safety) Regulations (Chapter 59I of the Laws of Hong Kong)" in this document.

We have implemented measures to comply with the Amendment Regulation such as designating personnel to conduct site inspection at regular intervals on a daily basis and reporting violation of the Amendment Regulation to the enforcement agencies. Even if we have taken reasonable steps to prohibit smoking in our construction sites, we cannot guarantee that our employees and our subcontractors' employees will strictly comply with our requirements at all times or that our personnel can detect any contravention with our requirements and take rectification actions in a timely manner. In the event that we fail to comply with the Amendment Regulation for any reason out of our control, we may be subject to fines which could adversely affect our business and financial position.

Changes in the rules and regulations governing the demolition industry, the licensing regime and other occupational health and safety and environmental responsibilities may materially and adversely affect our business operations, results of operations, financial performance and reputation

The demolition industry is subject to various laws and regulations including laws and regulations in relation to environmental protection and occupational health and safety such as regulations governing the discharge and disposal of demolition waste, noise pollution and report of workplace accidents. In the event that there is any changes in the current regulatory regime in our industry, we may incur extra expenditures, time and effort to improve our operations in order to comply with any potential amendments to the applicable laws and regulations. If we fail to comply with the applicable laws and regulations, we may be subject to penalties such as fines and suspension of our operations which could adversely affect our business operations, results of operations, financial performance and reputation.

In particular, in December 2025, the Buildings Department has imposed new sampling and testing mechanism for scaffold nets and tarpaulin on external walls of buildings to ensure the fire retardant performance of the materials on sites comply with the required standards. For details, please refer to the paragraph headed "Regulatory Overview — Laws and regulations in relation to labour, health and safety — New requirements on fire retardant performance of protective nets, screens, tarpaulins and plastic sheeting installed on scaffolding of external wall imposed by the Buildings Department" in this document. Our Group may incur additional operational, materials and compliance costs such as appointing laboratories to conduct testing prior to installation of materials on scaffolding. Besides, if any sample of an individual lot of materials fails the laboratory test, the entire lot must not be used on scaffolding. In such case, we will need to return the entire lot of materials to our supplier. If we fail to comply with the requirements or the test result of any sample fails to attain the recognised standards, the Buildings Department may take regulatory action against us, which may interrupt our operations and materially and adversely affect our results of operations and financial performance.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] market for the Share and the liquidity, market price and trading volume of the Share may be volatile

Prior to the **[REDACTED]**, there has been no **[REDACTED]** market for our Shares. Following the completion of the **[REDACTED]**, the Stock Exchange will be the only market on which our Shares are **[REDACTED]**. There is no guarantee that an active **[REDACTED]** trading market for our Shares will develop or be sustained after the **[REDACTED]**. In addition, we cannot assure you that the Shares will trade in the **[REDACTED]** market subsequent to the **[REDACTED]** at or above the **[REDACTED] [REDACTED]**. The **[REDACTED] [REDACTED]** will be determined by agreement between us and the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**), and may not be indicative of the **[REDACTED]** of the **[REDACTED]** following the completion of the **[REDACTED]**. If an active trading market for our Shares does not develop or is not sustained after the **[REDACTED]**, the market price and liquidity of our Shares may be materially and adversely affected.

The [REDACTED] price and volume of our Shares may be volatile, which may result in substantial losses for our investors

The **[REDACTED]** price of our Shares may be volatile and may fluctuate widely in response to factors beyond our control, including variations in the level of liquidity of our Shares, changes in securities analysts'(if any) estimates of our financial performance, investors' perceptions of us and the general investment environment, changes in laws, regulations and taxation systems which affect our operations, and general market conditions of the securities markets. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

In addition to market and industry factors, the price and trading volume for our Shares may be highly volatile for specific business reasons. In particular, factors such as variations in our revenue, net income and cash flow, success or failure of our efforts in implementing business and growth strategies, involvement in material litigation as well as recruitment or departure of our key personnel, may cause the trading price and volume of our Shares to change drastically and unexpectedly.

Further, there will be a gap of several days between the **[REDACTED]** and commencement of trading of the **[REDACTED]**. The **[REDACTED] [REDACTED]** of our **[REDACTED]** is expected to be determined on the **[REDACTED]** while our **[REDACTED]** will not commence **[REDACTED]** on the Stock Exchange until the **[REDACTED]**. As a result, investors may not be able to sell or otherwise deal in our **[REDACTED]** during the period between the **[REDACTED]** and the **[REDACTED]** and hence are subject to the risk that the price of our **[REDACTED]** could fall during the period before trading of our **[REDACTED]** begins.

Our financial performance for the period in which the [REDACTED] occurs may be materially and adversely affected by non-recurring [REDACTED]

We expect to incur significant non-recurring expenses in connection with the **[REDACTED]**. Based on the mid-point of the indicative **[REDACTED] [REDACTED]** range and assuming the **[REDACTED]** is not exercised, our total **[REDACTED]** are estimated to be approximately HK$**[REDACTED]**, of which approximately HK$**[REDACTED]** has been or will be charged to profit or loss, and approximately HK$**[REDACTED]** is directly attributable to the issue of the **[REDACTED]** and is to be accounted for as a deduction from equity.

As these expenses are non-recurring in nature, they do not reflect the underlying operating performance of our business. However, the portion charged to profit or loss may materially reduce our profit and profit margin for the relevant period and may affect comparisons of our financial performance between periods. In particular, our Group expects a substantial decrease in net profit for the year ending 31 March 2027 as compared to FY2026, which is mainly due to the impact of higher **[REDACTED]**.

There can be no assurance that investors, analysts or other market participants will not place undue emphasis on our reported profit, profit margin or other financial measures for the relevant period without adjusting for these non-recurring **[REDACTED]**. As a result, our financial performance for the relevant period may not be indicative of our future operating results following completion of the **[REDACTED]**.

Any disposal by our Controlling Shareholders of a substantial number of Shares in the public market could materially and adversely affect the [REDACTED] of the [REDACTED]

There is no guarantee that our Controlling Shareholders will not dispose of their **[REDACTED]** following the expiration of their respective lock-up periods after the **[REDACTED]**. Our Group cannot predict the effect, if any, of any future sales of the **[REDACTED]** by any Controlling Shareholders, or that of the availability of the **[REDACTED]** for sale by any Controlling Shareholders may have on the **[REDACTED]** of the **[REDACTED]**. Sale of a substantial number of **[REDACTED]** by any Controlling Shareholders or the market perception that such sale may occur could materially and adversely affect the prevailing **[REDACTED]** of the **[REDACTED]**.

The [REDACTED] is entitled to terminate the [REDACTED]

Prospective investors should note that the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) is entitled to terminate its obligations under the **[REDACTED]** by giving notice in writing to us upon the occurrence of any of the events set out in the paragraph headed "**[REDACTED]** — **[REDACTED]** arrangements and expenses — The **[REDACTED]** — Grounds for termination" in this document at any time prior to 8:00 a.m. (Hong Kong time) on the **[REDACTED]**. Such event may include, without limitation, any act of God, military action, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, terrorism, strike or lock-out.

You may not have the same protection of your shareholder rights under Cayman Islands law comparing to what you would have under Hong Kong law

Our corporate affairs are governed by our Memorandum and Articles, the Cayman Companies Act, and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, the rights of minority shareholders to institute actions and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our Shareholders and the fiduciary responsibilities of our Directors under Cayman Islands law may not be the same as they would be under statutes or judicial precedent in Hong Kong. In particular, the Cayman Islands have different securities laws as compared to Hong Kong and may not provide the same protection to investors. Furthermore, a Hong Kong court may not have jurisdiction to entertain a derivative action brought by shareholders for and on behalf of the Company.

The interests of our Controlling Shareholders may not always coincide with the interests of our Group and those of our other Shareholders

Immediately following the completion of the **[REDACTED]** (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the **[REDACTED]** or any options which may be granted under the **[REDACTED]**), our Controlling Shareholders will be entitled to exercise, or control the exercise of, voting rights in respect of **[REDACTED]** of our issued share capital. As a result, our Controlling Shareholders will have significant influence over our business, strategy and corporate actions, including matters requiring Shareholders' approval.

The interests of our Controlling Shareholders may not always be aligned with the interests of our Group or our other Shareholders. If the interests of our Controlling Shareholders conflict with those of our other Shareholders, or if they cause our Group to pursue business strategies or take corporate actions that are not aligned with the interests of our other Shareholders, the interests of our Group and our other Shareholders may be adversely affected. This risk is expressly identified in this document.

RISKS RELATING TO INFORMATION CONTAINED IN THIS DOCUMENT

Investors should not place undue reliance on facts, statistics and data contained in this document with respect to the economies and our industry

Certain facts, statistics and data in this document are derived from various sources including various publications, official government sources and the Frost & Sullivan Report commissioned by us that we believe to be reliable and appropriate for such information. However, we cannot guarantee the quality or reliability of such source materials. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Whilst our Directors have taken reasonable care in extracting and reproducing the information, they have not been independently verified by us, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, or any of their respective directors, officers or representatives or any other person involved in the **[REDACTED]** (other than Frost & Sullivan) and no representation is given as to the accuracy or completeness of such facts, statistics and data. Due to possibly flawed or ineffective collection methods or discrepancies between published information, market practice and other problems, the statistics in this document may be inaccurate or may not be comparable to statistics produced for other publications or purposes and you should not place undue reliance on them. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such information or statistics.

Investors should read the entire document and we strongly caution you not to place any reliance on any information contained in press articles or media regarding us or the [REDACTED]

There may be press and media coverage regarding us or the **[REDACTED]**, which may include certain events, financial information, financial projections and other information about us that do not appear in this document. Neither we nor any of the Controlling Shareholders, the Sole Sponsor, nor any parties involved in the **[REDACTED]** or any of their respective directors, officers, employees, affiliates or advisers have authorised the disclosure of any other information not contained in this document. We do not accept any responsibility for any such press or media coverage and we make no representation as to the accuracy or completeness or reliability of any such information or publication. To the extent that any such information appearing in publications other than this document is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for them. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to subscribe for and/or purchase our Shares, you should rely only on the financial, operational and other information included in this document.

Forward-looking statements contained in this document are subject to risks and uncertainties

This document contains certain statements and information that are "forward-looking" and uses forward-looking terminology such as "anticipate", "believe", "could", "estimate", "expect", "may", "ought to", "should" or "will" or similar terms based on various assumptions. Those statements include, among other things, the discussion of our Group's growth strategy and expectations concerning our future operations, liquidity and capital resources. Investors of the Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect.

The uncertainties in this regard include risks and uncertainties such as those identified in this section, many of which are not within our Group's control. Accordingly, the inclusion of forward-looking statements in this document should not be regarded as representations by our Company that our plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. Our Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. Please refer to the section headed "Forward-looking statements" in this document for further details.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Mr. Lo Cheuk Pui (劳焯培)	Flat H, 24/F, Block 2, Felicity Garden, No.111 Shau Kei Wan Road, Shau Kei Wan, Hong Kong	Hong Kong
Mr. Lo Siu Kai (劳紹佳)	Flat 1708, Lee Ga Building, Sai Wan Ho Street, Hong Kong	Hong Kong
Non-executive Director		
Mr. Chan Ming Cheung Ivan (陳銘章)	Room 708, On Pak House, Cheung On Estate, 1 Tam Kon Shan Road, Tsing Yi, New Territories, Hong Kong	Hong Kong
Independent non-executive Directors		
Mr. Ng Kwok Sing (吳國勝)	Flat H, 8/F, Block 1, 5–7 Tai Hang Road, Illumination Terrace, Causeway Bay, Hong Kong	Hong Kong
Ms. Wong Man Ming Melinda (黃敏明)	8–5028 Savile Row, Burnaby, B.C., V5E 0C1, Canada	Canada
Mr. Yue Ming Wai Bonaventure (余銘維)	Albany House 9, The Balmoral, 1 Ma Shing Path, Tai Po, New Territories, Hong Kong	Hong Kong

Please refer to the section headed "Directors and Senior Management" in this document for further details of our Directors.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor, [REDACTED] and [REDACTED]	**Patrons Capital Limited** *A licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities* Unit 3214, 32/F, Cosco Tower, 183 Queen's Road Central, Sheung Wan, Hong Kong
Legal advisors to the Company	*As to Hong Kong Law* **Ho Kan Lawyers** Room 2507, 25/F, K11 Atelier King's Road, 728 King's Road, Quarry Bay, Hong Kong *As to Cayman Islands Law* **Harney Westwood & Riegels** 14/F, Alexandra House, 18 Chater Road, Central, Hong Kong
Legal advisors to the Sole Sponsor and the [REDACTED]	*As to Hong Kong Law* **China Commercial (Hong Kong) Law Firm** Suite 3203A, 32nd Floor, Tower Two, Lippo Centre, 89 Queensway, Admiralty, Hong Kong
Joint auditors and reporting accountants	**Ascenda Cachet CPA Limited** *Certified Public Accountants* Unit 1519, 15/F, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Hong Kong **Moore CPA Limited** *Certified Public Accountants* 1001–1010, North Tower, World Finance Centre, Harbour City, 19 Canton Road, Tsim Sha Tsui, Kowloon Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]	**[●]**
Compliance adviser	**Patrons Capital Limited** *A licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities* Unit 3214, 32/F, Cosco Tower, 183 Queen's Road Central, Sheung Wan, Hong Kong
Barrister-at-law	Tam Chun Kit Denis Chang's Chambers Room 4301, One Lippo Centre, 89 Queensway, Admiralty, Hong Kong
Industry consultant	**Frost & Sullivan Limited** Unit 3006, 30/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong
Tax adviser	**We Pro-CPA Limited** Unit 2603, 26/F, The Galaxy, 313 Castle Peak Road, Kwai Chung, Hong Kong

CORPORATE INFORMATION

Registered address in the Cayman Islands	4th Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman, KY1–1002, Cayman Islands
Principal place of business in Hong Kong under Part 16 of the Companies Ordinance	[●]
Company's website address	[●] *(information on this website does not form part of this document)*
Company Secretary	Mr. Wun Chun Yip *Certified Public Accountant* Room 912, 9/F, Block F, Kornhill, Quarry Bay, Hong Kong
Authorised representatives	Mr. Lo Cheuk Pui Flat H, 24/F, Block 2, Felicity Garden, No. 111 Shau Kei Wan Road, Shau Kei Wan, Hong Kong Mr. Wun Chun Yip *Certified Public Accountant* Room 912, 9/F, Block F, Kornhill, Quarry Bay, Hong Kong
Audit Committee	Mr. Yue Ming Wai Bonaventure *(Chairman)* Mr. Ng Kwok Sing Ms. Wong Man Ming Melinda
Remuneration Committee	Mr. Ng Kwok Sing *(Chairman)* Mr. Chan Ming Cheung Ivan Mr. Yue Ming Wai Bonaventure Ms. Wong Man Ming Melinda

Nomination Committee	Mr. Lo Cheuk Pui *(Chairman)* Mr. Yue Ming Wai Bonaventure Ms. Wong Man Ming Melinda
Cayman Islands principal [REDACTED] and transfer office	[●]
Hong Kong [REDACTED]	**[REDACTED]**
Principal Banks	**The Hongkong and Shanghai Banking Corporation Limited** Level 3, 1 Queen's Road Central, Central, Hong Kong **Hang Seng Bank** 6/F, 83 Des Voeux Road Central, Central, Hong Kong **Nanyang Commercial Bank, Limited** 151 Des Voeux Road Central, Central, Hong Kong

*The information and statistics set out in this section and other sections of this Document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by Frost & Sullivan (the "**Frost & Sullivan Report**"). We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the **[REDACTED]**. The information from official government sources has not been independently verified by us, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, any of the **[REDACTED]**, any of their respective directors and advisers, or any other persons or parties involved in the **[REDACTED]**, and no representation is given as to its accuracy.*

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to analyze and prepare a report regarding the Hong Kong Building Demolition Works Market. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies and provides growth consulting and corporate training. We agreed to pay a commission fee of HK$350,000 to Frost & Sullivan pursuant to a service agreement reached by arm's length negotiation. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. We have also referred to certain information in the "Summary", "Risk Factors", "Business" and "Financial Information" sections to provide a more comprehensive presentation of the industry in which we operate.

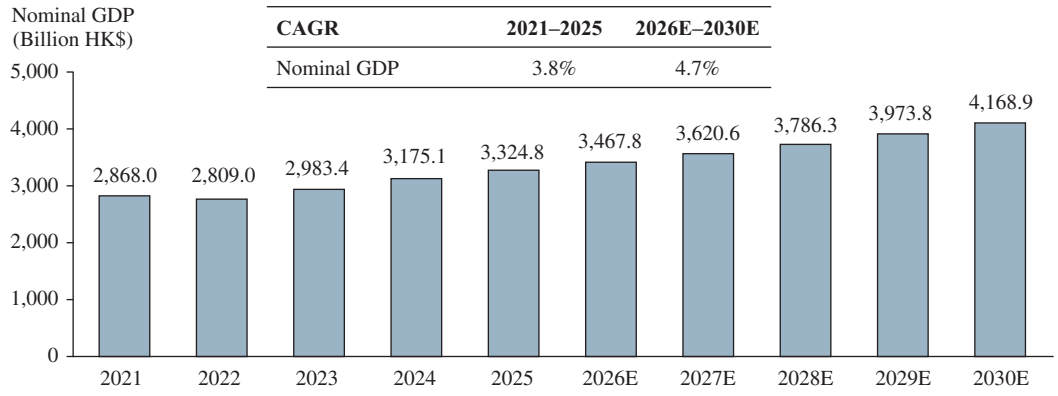
In preparing the report, Frost & Sullivan conducted both primary and secondary research and relied on various sources. The primary research was conducted via interviews with key industry experts and leading industry participants. The secondary research involved analysis of market data obtained from several publicly available data sources, such as the Census and Statistics Department of Hong Kong and other industrial associations. The market projections in the Frost & Sullivan Report are based on the following key assumptions: (i) the overall social, economic and political environment in Hong Kong is expected to remain stable during the forecast period; (ii) Hong Kong's economic and industrial development is likely to maintain a steady growth in the forecast period; (iii) related industry key drivers are likely to drive the growth of Hong Kong Building Demolition Works Market in the forecast period; and (iv) there is no extreme force majeure or industry regulation which may affect the market dramatically or fundamentally.

OVERVIEW OF MACRO ECONOMY IN HONG KONG

Nominal GDP and GDP Per Capita

Attributed to the increase in domestic demand and trade performance featured with recovery of economy in Europe and North America, the nominal GDP in Hong Kong has registered steady growth, from HK$2,868.0 billion in 2020 to HK$3,324.8 billion in 2025 at a CAGR of 3.8%. Moving forward, according to International Monetary Fund ("**IMF**"), Hong Kong's economy is set to regain its momentum along with the recovery of tourism and consumption, the nominal GDP of Hong Kong is expected to grow from HK$3,467.8 billion in 2026 to HK$4,168.9 billion in 2030, representing a CAGR of approximately 4.7%.

Nominal GDP and Nominal GDP Per Capita (Hong Kong), 2021–2030E

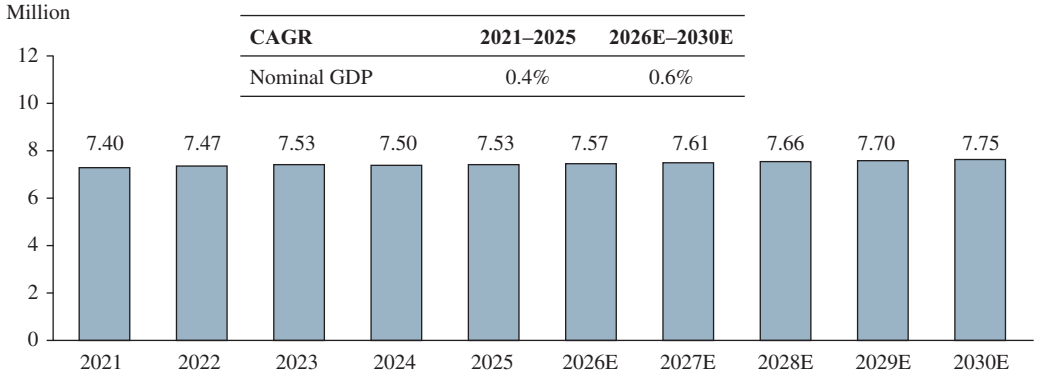


Source: International Monetary Fund, Frost & Sullivan

Total Population

The population in Hong Kong has slightly increased from 7.40 million in 2021 to 7.53 million in 2025, with a CAGR of 0.4%. It is mainly due to government talent attraction schemes and labor importation programs. With (i) the proactive approach in attracting more outside talent to settle in Hong Kong and (ii) fostering a supportive environment for raising families, the population growth is mild and is expected to maintain a CAGR of 0.6% from 2026 to 2030.

Total Population (Hong Kong), 2021–2030E

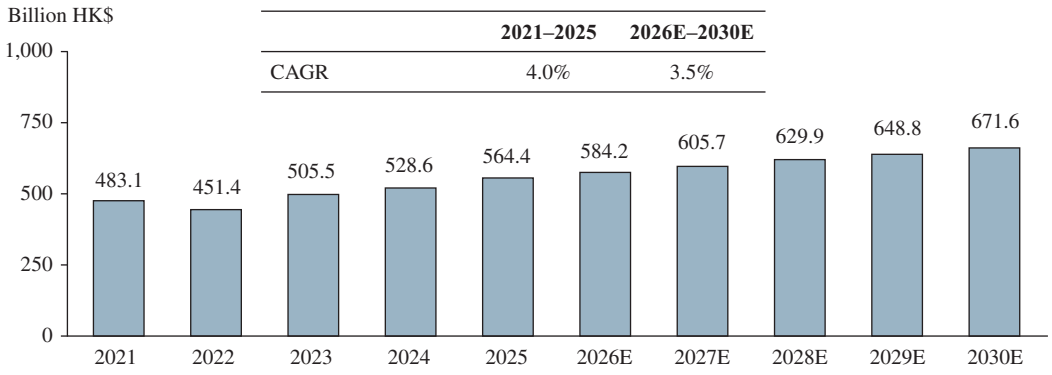


Source: International Monetary Fund, Frost & Sullivan

Gross Fixed Capital Formation Value in Hong Kong

Gross domestic fixed capital formation value in Hong Kong refers to the total value of acquisitions of fixed assets within the economy, minus disposals. This includes investments in buildings, machinery, and infrastructure. It increased from HK$483.1 billion in 2021 to HK$564.4 billion in 2025, representing a CAGR of 4.0% from 2021 to 2025. The growth is attributed to ongoing government initiatives and infrastructure projects, such as transportation and housing developments, which have spurred investments. Gross domestic fixed capital formation value in Hong Kong is expected to rise at a CAGR of 3.5% from 2026 to 2030, reaching HK$671.6 billion in 2030.

Gross Fixed Capital Formation Value (Hong Kong), 2021–2030E

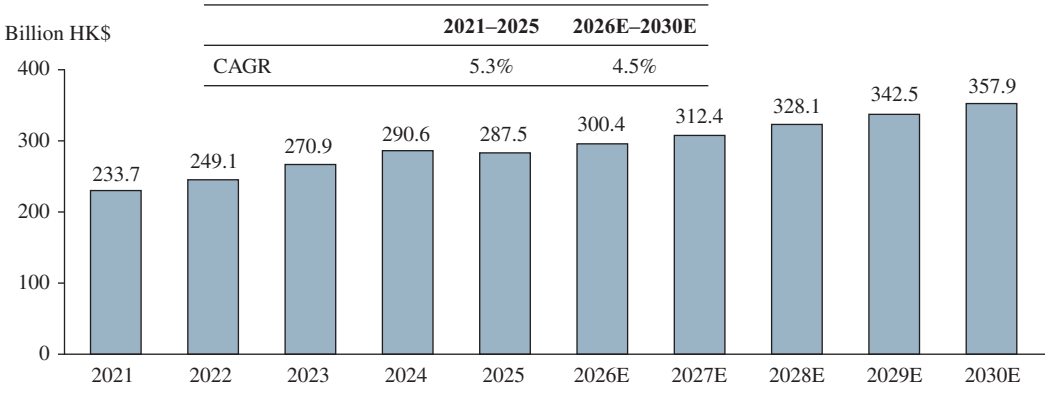


Source: International Monetary Fund, Frost & Sullivan

Gross Value of Construction Works in Hong Kong

According to the Census and Statistics Department of Hong Kong, the gross value of construction works performed by main contractors increased from HK$233.7 billion in 2021 to HK$287.5 billion in 2025, at a CAGR of 5.0% from 2021 to 2025. The sector faced challenges from 2020 to 2021 due to social unrest lingering effects and the COVID-19 pandemic, which caused (i) suspensions and slowdowns in construction activities, and (ii) global supply chain disruptions affecting raw materials, leading to project delays and reduced new commencements. Recovery accelerated from 2022 onward, supported by rebounding public and private sector activity. The Hong Kong government continues to drive future growth through major infrastructural developments, including the Northern Metropolis, ongoing progress on the Lantau Tomorrow Vision, and related transport, housing, and public works initiatives. These large-scale projects are expected to sustain and boost construction output in the medium to long term, despite some recent softening in private sector activity and economic headwinds in 2025. The gross value of construction works performed by main contractors is expected to rise from HK$300.4 billion in 2026 to HK$357.9 billion in 2030, at a CAGR of 4.5%.

Gross Value of Construction Works (Hong Kong), 2021–2030E

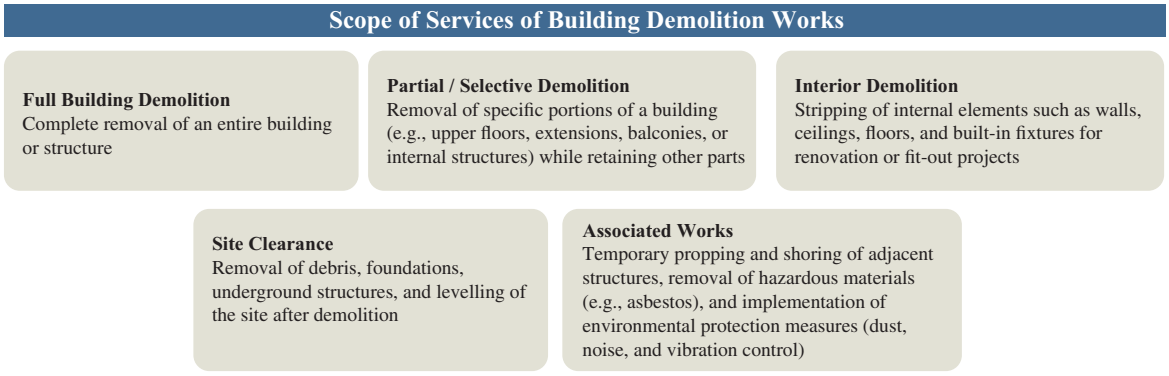


Source: International Monetary Fund, Frost & Sullivan

OVERVIEW OF BUILDING DEMOLITION WORKS MARKET IN HONG KONG

Definition and Segmentation of Building Demolition Works

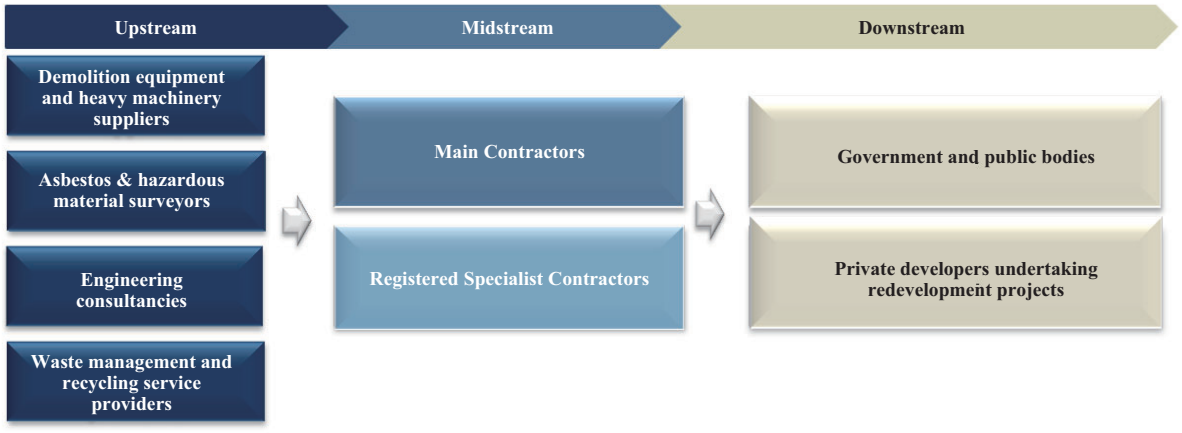
Building demolition is defined as the systematic dismantling, razing, destroying, or wrecking of any building, structure, or any substantial part thereof, using pre-planned and controlled methods. As stipulated under the Buildings Ordinance (Cap. 123) and the Code of Practice for Demolition of Buildings (2004), such works must be executed in a safe and environmentally responsible manner to protect workers, the public, adjacent properties, and the surrounding neighbourhood. All demolition activities require prior approval from the Buildings Department and must be carried out by Registered Specialist Contractors in the Demolition category, under the supervision of an Authorised Person and a Registered Structural Engineer. This regulatory framework ensures high standards of safety, structural stability, and compliance throughout the demolition process.



Source: Frost & Sullivan

Value Chain

Below sets out the value chain of Building Demolition Works in Hong Kong, comprising upstream suppliers of equipment and specialist services, midstream demolition contractors and engineering consultancies, and downstream clients such as government departments, public organisations, and private project owners. Subcontracting is a common practice in the building demolition industry for better allocation of human resources and cost efficiency, whereby main contractors, who possess the requisite registrations with the Buildings Department, subcontract demolition packages to specialist contractors selected on the basis of proven capabilities, track records, safety performance and technical expertise; subcontractors are generally not required to hold separate registrations with the Buildings Department, particularly for private sector projects. In the public sector, leading main contractors tender for large-scale projects from government and related organisations and are typically required to be registered under the relevant work categories in the List of Approved Contractors of the Development Bureau. For private developments, the main contractor undertaking demolition works must be registered as a Registered Specialist Contractor in the Demolition category (RSC(D)) under the Buildings Ordinance (Cap. 123), as such works may only be carried out by qualified and registered contractors who are fully versed with the applicable regulatory requirements, safety standards and the current building control system.



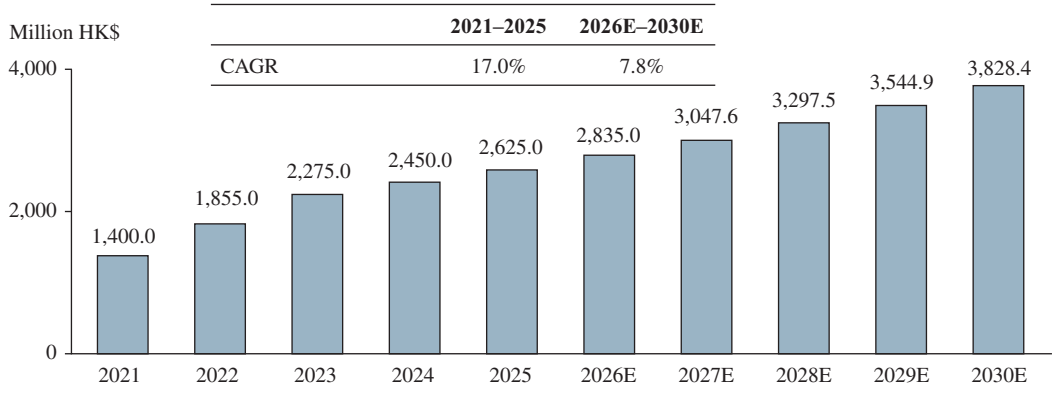
Source: Frost & Sullivan

Gross Value of Building Demolition Works

From 2021 to 2025, the gross value of building demolition works performed by main contractors in Hong Kong grew steadily from approximately HK$1,400.0 million in 2021 to HK$2,625.0 million in 2025, with a CAGR of 17.0%. The growth was primarily driven by accelerated urban renewal projects, redevelopment of ageing buildings, and increased government initiatives to revitalize old districts. Rising demand for site clearance in both public and private sectors, along with stricter building safety regulations, further supported the expansion of demolition activities.

From 2026 to 2030, the gross value of building demolition works performed by main contractors in Hong Kong is projected to continue its upward trajectory, rising from an estimated HK$2,835.0 million in 2026 to HK$3,828.4 million in 2030, with a forecasted CAGR of 7.8%. This sustained growth is expected to be fueled by ongoing large-scale infrastructure and new development area projects, such as Hung Shui Kiu and other Northern Metropolis initiatives, continuous urban redevelopment, and growing emphasis on sustainable demolition practices including waste recycling.

Gross Value of Building Demolition Works by Main Contractors (Hong Kong), 2021–2030E



Source: Frost & Sullivan

Key Growth Drivers

Urban Renewal and Redevelopment of Ageing Buildings — Urban renewal and the redevelopment of ageing buildings remain one of the strongest and most consistent drivers of the building demolition works market in Hong Kong. A large number of private residential and commercial buildings constructed between the 1960s and 1980s have now reached 50–60 years of age and are increasingly considered dilapidated or structurally obsolete. These buildings often fail to meet current safety standards, energy efficiency requirements, and modern living expectations, creating strong demand for demolition to enable comprehensive redevelopment. The Urban Renewal Authority ("**URA**") continues to lead many of these efforts through targeted projects. Key examples include the multi-phase Kwun Tong Town Centre Redevelopment, various cluster redevelopment schemes in Sham Shui Po, Yau Ma Tei, and To Kwa Wan, as well as ongoing initiatives in Wan Chai and San Po Kong. These projects typically involve the full demolition of old structures to make way for new high-density residential, commercial, and community facilities. Government support for increasing housing supply and optimising scarce land resources further reinforces this driver, ensuring that demolition works will continue to form a critical early stage in Hong Kong's urban regeneration pipeline through 2030 and beyond.

Government Infrastructure and New Development Area Projects — Government-led infrastructure development and the creation of new development areas are major catalysts for the building demolition works market in Hong Kong. Ambitious plans such as the Northern Metropolis development strategy and the Hung Shui Kiu/Ha Tsuen New Development Area require extensive site clearance and demolition of existing structures to prepare land for new towns, public housing, commercial zones, and supporting infrastructure. Multiple phases of the Hung Shui Kiu New Development Area, where demolition and site formation works are actively underway to support long-term population and economic growth. Other significant projects under the Northern Metropolis and Lantau Tomorrow Vision frameworks also involve large-scale demolition to facilitate transport networks, innovation hubs, and residential developments. These public-sector initiatives provide a stable and predictable pipeline of work for registered demolition contractors, often delivered through joint ventures with major main contractors. Continued government commitment to these strategic projects is expected to sustain strong demand for demolition services well into the next decade.

Building Safety and Regulatory Compliance — Stringent building safety regulations and proactive enforcement by the Buildings Department ("**BD**") constitute a reliable and ongoing driver for the building demolition works market in Hong Kong. Many older buildings suffer from structural deterioration, unauthorised modifications, or failure to meet updated safety standards, prompting mandatory demolition or extensive rectification works. The government's enhanced focus on building safety, particularly after several high-profile incidents involving ageing structures, has led to more rigorous inspections and enforcement actions. Key contributing factors include the regular Large-scale Operations (LSO) targeting unauthorised building works, such as illegal rooftop structures, unauthorised extensions, and dangerous signboards. The Mandatory Building Inspection Scheme ("**MBIS**") and Mandatory Window Inspection Scheme ("**MWIS**") further identify buildings requiring demolition or major remedial works. In addition, the Code of Practice for Demolition of Buildings (2004) and its updates set high standards for safety, environmental protection, and professional execution, restricting such works to Registered Specialist Contractors ("**RSC**") in the Demolition category. These regulatory measures ensure a steady stream of demolition projects, ranging from small-scale removal of illegal

structures in residential buildings to larger-scale clearance of high-risk buildings in older districts. This driver not only supports market stability but also encourages the adoption of safer and more professional demolition practices across the industry.

Sustainable Development and Circular Economy Initiatives — The growing emphasis on sustainable development and circular economy principles has become an increasingly important driver for the building demolition works market in Hong Kong. Traditional demolition methods that generate large volumes of construction and demolition ("**C&D**") waste are being replaced by more environmentally responsible approaches. Government policies and industry guidelines now actively promote waste reduction, material recycling, and the adoption of green demolition technologies. Contractors are encouraged to implement selective demolition techniques, on-site sorting, and high recycling rates for concrete, steel, and other materials. Initiatives such as the Environment Bureau's C&D waste management strategies and incentives for low-carbon construction practices are pushing the industry toward more sustainable methods. This shift not only helps meet Hong Kong's carbon reduction targets and landfill diversion goals but also creates new business opportunities through the recovery and resale of salvage materials. As a result, demolition contractors that invest in advanced equipment, trained personnel, and environmentally friendly processes are gaining competitive advantages in both public and private sector tenders.

Government Incentive Scheme to Accelerate Private Redevelopment in Old Districts — A significant policy driver for building demolition works in Hong Kong is the Bonus Plot Ratio Pilot Scheme launched by the Development Bureau with effect from 1 September 2026. The five-year pilot scheme covers seven designated old districts: Sai Ying Pun and Sheung Wan, Wan Chai, Ma Tau Kok, Cheung Sha Wan, Mong Kok, Yau Ma Tei and Tsuen Wan. Under the scheme, developers who commit to demolishing residential buildings aged 50 years or above with a site area of not less than approximately 7,535 square feet and redeveloping the site for residential use will be granted an additional 20 percent premium-free gross floor area as an incentive. Developers may either apply for an increase of up to 20 percent in the permissible gross floor area for the in-situ redevelopment, with the extra floor area exempt from land premium, or convert the value of the extra plot ratio into a land premium credit that can be used to offset land premiums for the same project or other land transactions, including those in the Northern Metropolis, within a 10-year validity period. This incentive is expected to improve the financial viability of private redevelopment projects in ageing urban areas, thereby stimulating a higher volume of building demolition works in the coming years.

Key Trends

Technological Advancement and Mechanisation — A prominent trend in Hong Kong's building demolition market is the progressive embrace of technology and increasing investment in research and development (R&D). Traditionally a labour-intensive and low-tech sector, leading demolition contractors are now actively adopting advanced solutions such as demolition robots, remote-controlled excavators and AI-powered structural monitoring systems for demolition planning. These innovations are particularly valuable in confined urban sites, where they help reduce manual labour, minimise environmental impact, improve project precision, and enhance overall safety and efficiency. Driven by stricter regulatory requirements, rising labour costs, and the government's push for sustainable practices under the circular economy framework, companies that invest in R&D are gaining significant

competitive advantages in securing complex urban redevelopment projects. This marks a gradual transformation of the traditionally conservative demolition sector toward greater innovation and technological advancement.

Market Consolidation and Professionalisation — The demolition sector is undergoing consolidation, with larger, well-established contractors capturing a greater market share. There is a noticeable trend toward higher professional standards, including better safety records, environmental compliance, and project management capabilities. Smaller operators are either forming alliances with bigger firms or specialising in niche areas such as interior demolition and minor works. Regulatory requirements for Registered Specialist Contractors ("**RSC**") further reinforce this professionalisation drive.

Increasing Scale and Complexity of Projects — The demolition market in Hong Kong is witnessing a clear shift toward larger-scale and more technically complex projects. Rather than standalone building demolitions, contractors are increasingly engaged in extensive site clearance for comprehensive urban renewal schemes and new development areas. These projects often involve simultaneous demolition of multiple structures in densely populated districts, requiring meticulous planning to manage risks such as dust, noise, vibration, and protection of adjacent buildings. This trend is particularly evident in government-led initiatives like the Northern Metropolis and Hung Shui Kiu New Development Area, where demolition forms the critical first phase of large-scale land formation works.

Adoption of Sustainable and Green Demolition Practices — Sustainability has become a defining trend in the demolition sector. There is growing adoption of selective demolition methods that prioritise material recovery and recycling over traditional bulk demolition. Contractors are investing in on-site sorting facilities, advanced crushing equipment, and waste management systems to maximise the reuse of concrete, steel, and other materials. This aligns with the government's circular economy goals and stricter C&D waste disposal requirements, giving companies with strong green credentials a competitive edge in both public tenders and private developer projects.

Promotion of Smart Site Safety System — The Hong Kong government has been promoting the adoption of smart safety systems in the construction industry to enhance site safety. In March 2023, the Development Bureau issued a circular outlining the implementation of the Smart Site Safety System known as 4S in public works contracts. The 4S covers 10 main categories, including centralised management, digitalised tracking, and AI-powered safety monitoring. In May 2024, the 4S scheme was successfully launched jointly by the Development Bureau and the Construction Industry Council. As stated by the Secretary for Development on 24 August 2026, currently about 80 percent of worksites across Hong Kong have installed 4S equipment and 60 percent have obtained 4S labels. After widespread application of 4S, the overall accident rate in the construction industry dropped by about 20 percent between 2023 and 2025. Since July 2025, the mandatory requirements have been extended to demolition works, excavation and lateral support works, foundation works and site formation works. To support the adoption of 4S in private projects, the Construction Industry Council has introduced a funding scheme under the Construction Innovation and Technology Fund, providing subsidies for the purchase of pre-approved smart safety products. The government also plans to expand the scope of the subsidy to include IT and sourcing support. Construction companies are actively developing and applying 4S in their projects, collaborating with universities, research institutions, and technology

companies to create alternative solutions. With the government's support and the industry's proactive approach, the widespread implementation of 4S is expected to drive significant improvements in construction safety and efficiency in the coming years.

Market Opportunities

Expansion of Sustainable and High-Value Demolition Services — There is a significant opportunity for contractors to differentiate themselves by offering advanced sustainable demolition solutions. With the government's strong push for circular economy practices and waste reduction, companies that specialise in selective demolition, on-site material recovery, recycling of concrete and steel, and low-carbon methods can command premium pricing and win more tenders. This segment is expected to grow rapidly as both public and private developers increasingly prioritise environmental credentials. Early investment in green technologies, trained personnel, and certification in sustainable practices will enable forward-looking contractors to capture a larger share of high-value projects in urban renewal and new development areas.

Participation in Large-Scale New Development Area and Northern Metropolis Projects — The government's ambitious Northern Metropolis development strategy and other new development areas present substantial long-term opportunities for demolition contractors. These mega-projects require extensive site clearance and demolition over the coming decade, creating a stable pipeline of large-scale contracts. Contractors capable of handling complex, high-volume demolition in coordination with site formation works, and those with strong track records in joint ventures with major main contractors, are well-positioned to secure significant portions of this work. Building strategic partnerships and enhancing capacity in large-scale project management will be key to capitalising on this opportunity.

Market Challenges

Intense Competition and Market Consolidation Pressure — The building demolition market in Hong Kong is highly competitive, with numerous registered specialist contractors vying for projects alongside large main contractors and their joint ventures. This intense competition often leads to aggressive bidding and compressed profit margins, particularly in government tenders. Larger, well-capitalised firms with stronger track records, better equipment, and established relationships with developers enjoy clear advantages, making it difficult for smaller or mid-sized contractors to secure high-value contracts. As a result, the industry is undergoing consolidation, forcing many smaller players to either merge, form strategic alliances, or retreat to niche markets such as interior demolition and minor unauthorised structure removal. New entrants also face high barriers in building credibility and meeting stringent registration and performance requirements.

Rising Operational Costs and Skilled Labour Shortage — Demolition contractors are confronting steadily rising operational costs driven by higher labour wages, increased insurance premiums, stricter safety and environmental compliance requirements, and the need to invest in modern, low-emission equipment. At the same time, the sector suffers from a chronic shortage of skilled and experienced workers. The physically demanding nature of demolition work, combined with an ageing workforce and competition from other higher-paying construction trades, has made recruitment and retention difficult. These challenges are compounded in Hong Kong's dense urban environment, where projects demand high precision, strict noise and dust control, and tight schedules, further elevating costs and operational risks. Contractors that fail to address these issues may experience project delays, higher overheads, and reduced competitiveness in the long run.

Labour Cost

The average daily wage of demolition workers in Hong Kong increased from HK$1,215.1 in 2021 to HK$1,458.0 in 2025, representing a CAGR of 4.7%. Wages showed steady growth in the early years, with a notable acceleration in 2025 driven by labour shortages and rising living costs. Demolition workers generally command wages at the higher end of the range due to the higher risk and specialised nature of the work. The average daily wage of demolition workers is expected to continue rising at a CAGR of approximately 4.0% from 2026 to 2030, supported by sustained demand for skilled demolition labour amid ongoing urban renewal and infrastructure projects. The subcontracting charges generally range from 5.0% to 10.0% of actual costs incurred under total costs of sales for the building demolition contractors in Hong Kong.

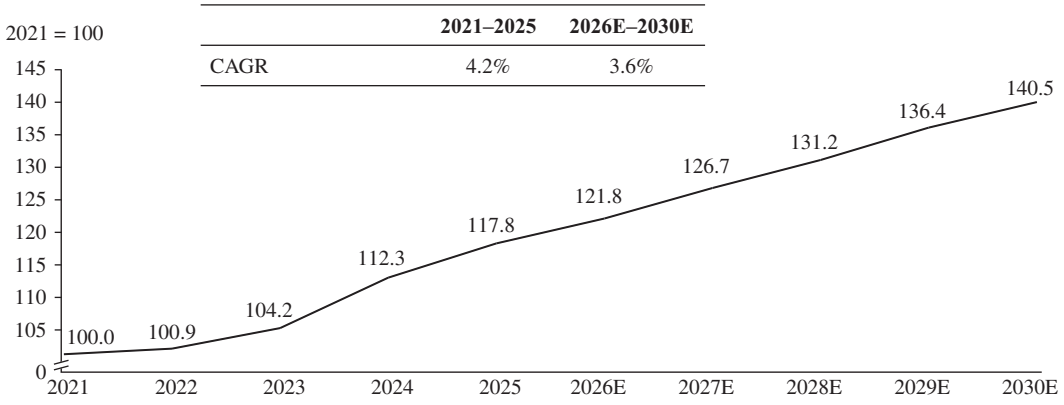
Average Daily Wages of Demolition Workers (Hong Kong), 2021–2030E

Unit: HK$	2021	2022	2023	2024	2025	CAGR (2021–2025)	CAGR (2026E–2030E)
Construction Workers	1,215.1	1,291.1	1,318.2	1,269.4	1,458.0	4.7%	4.0%

Source: Census and Statistics Department of Hong Kong, Frost & Sullivan

The labour cost index of construction workers in Hong Kong rose steadily from 100.0 in 2021 to 117.8 in 2025, representing a CAGR of approximately 4.2%. It is projected to continue increasing from 121.8 in 2026 to 140.5 by 2030, at a CAGR of around 3.6%, reflecting ongoing labour shortages and wage pressure in the construction sector.

Labour Cost of Construction Workers (Hong Kong), 2021–2030E



Source: Census and Statistics Department of Hong Kong, Frost & Sullivan

Price Trend of Key Salvage Materials

The price of steel scrap in Hong Kong fluctuated notably between 2021 and 2025. It started at HK$4,000.0 per tonne in 2021, rose sharply to HK$4,600.0 per tonne in 2022, then dropped to HK$3,600.0 per tonne in 2023. Prices recovered moderately to HK$3,750.0 per tonne in 2024 and further increased to HK$4,050.0 per tonne in 2025. Overall, the CAGR from 2021 to 2025 was relatively low at 0.3%, reflecting strong volatility influenced by global steel demand, local demolition activities,

and export market conditions. Iron scrap followed a similar trajectory to steel scrap. It was valued at approximately HK$3,800.0 per tonne in 2021, climbed to HK$4,400.0 per tonne in 2022, declined to HK$3,400.0 per tonne in 2023, and then recovered gradually to HK$3,550.0 per tonne in 2024 and HK$3,850.0 per tonne in 2025.

Copper scrap was estimated at HK$85,000.0 per tonne in 2021, peaked near HK$95,000.0 in 2022, softened to around HK$78,000.0 in 2023, and rebounded to roughly HK$88,000.0 in 2024 and HK$98,000.0 in 2025. Aluminium scrap from clean extrusions (such as window frames) traded in a narrower band, rising from about HK$22,000.0 per tonne in 2021 to HK$24,500.0 in 2022, declining to HK$19,500.0 in 2023, and recovering to HK$21,000.0–22,500.0 in 2024–2025. Overall, while ferrous scrap dominated volume, non-ferrous metals, particularly copper, continued to account for a disproportionate share of salvage material value due to their substantially higher unit prices.

It is common for building demolition contractors in Hong Kong to sell salvage materials, including scrap steel and iron from building parts, in an unclean or only partially sorted condition directly to scrap buyers. While basic on-site sorting is often carried out, full cleaning and detailed grading are typically performed by the scrap yards or recyclers after collection. The unclean building parts containing scrap steel and iron in Hong Kong increased from HK$2,600.0 per tonne in 2021 to HK$2,700.0 per tonne in 2025, at a CAGR of 0.9%.

Looking ahead, the prices of key salvage materials in Hong Kong are expected to follow a moderate upward trajectory from 2026 to 2030. Steel scrap is projected to rise gradually from HKD4,200.0 per tonne in 2026 to around HKD4,600.0 per tonne by 2030, while iron scrap is forecast to increase from HKD4,000.0 to HKD4,400.0 per tonne over the same period. Unclean building parts containing scrap steel and iron, starting at HKD2,100.0 per tonne in 2026, are expected to climb steadily to approximately HKD2,420.0 per tonne by 2030. Copper scrap is anticipated to maintain a stronger upward trend, advancing from HKD102,000.0 per tonne in 2026 to about HKD118,000.0 per tonne in 2030, supported by structural demand from the green economy. Aluminium scrap from clean extrusions is forecast to grow more modestly from HKD23,200.0 per tonne in 2026 to around HKD26,000.0 per tonne by 2030. Overall, ferrous scrap prices are expected to remain relatively stable with mild growth, while non-ferrous metals, particularly copper, continue to command significantly higher unit values.

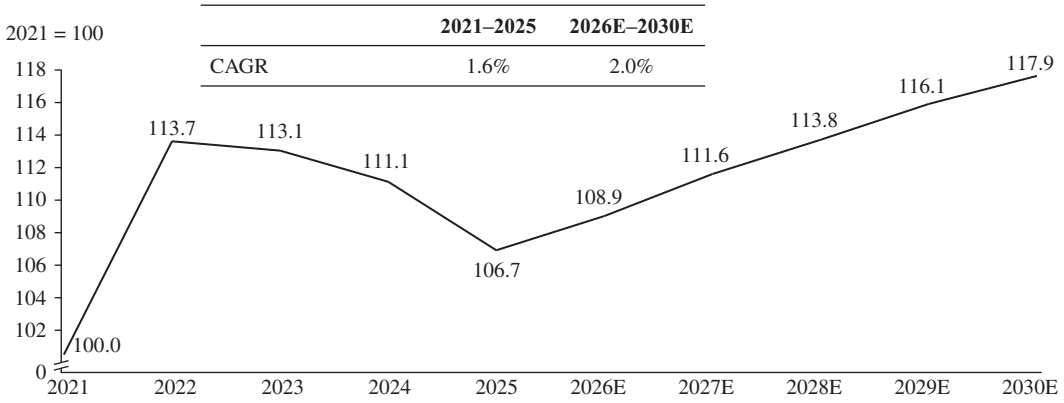
Price of Key Salvage Materials in Hong Kong (Hong Kong), 2021–2030E

Unit : HKD per Tonne	2021	2022	2023	2024	2025	2026E	2030E	CAGR (2021–2025)	CAGR (2026E–2030E)
Price of Steel Scrap	4,000.0	4,600.0	3,600.0	3,750.0	4,050.0	4,200.0	4,600.0	0.3%	2.3%
Copper Scrap	85,000.0	95,000.0	78,000.0	88,000.0	98,000.0	102,000.0	118,000.0	3.6%	3.7%
Aluminium Scrap (Clean Extrusions)	22,000.0	24,500.0	19,500.0	21,000.0	22,500.0	23,200.0	26,000.0	0.6%	2.9%
Iron Scrap	3,800.0	4,400.0	3,400.0	3,550.0	3,850.0	4,000.0	4,400.0	0.3%	2.4%
Unclean Building Parts Containing Scrap Steel and Iron	1,735.0	2,035.0	1,535.0	1,665.0	1,800.0	2,100.0	2,420.0	0.9%	3.6%

Source: Census and Statistics Department of Hong Kong, Frost & Sullivan

The price index of key construction raw materials in Hong Kong rose from 100.0 in 2021 to a peak of 113.7 in 2022 before easing to 106.7 in 2025, representing a CAGR of about 1.6%. It is projected to recover gradually from 108.9 in 2026 to 117.9 by 2030, at a CAGR of around 2.0%, reflecting stabilising material costs amid steady construction activity.

Price Index of Key Construction Raw Materials (Hong Kong), 2021–2030E



Source: Census and Statistics Department of Hong Kong, Frost & Sullivan

COMPETITIVE LANDSCAPE OF BUILDING DEMOLITION WORKS MARKET IN HONG KONG

The building demolition works market in Hong Kong is highly competitive yet relatively fragmented. It consists primarily of specialist subcontractors registered under the Registered Specialist Contractor Demolition Category who directly undertake demolition execution across private redevelopment and public sector projects. Major specialist firms focus on large-scale urban renewal, site clearance, and complex demolition works in dense urban environments.

As of July 2026, there are 133 contractors registered under the Registered Specialist Contractor Demolition Category scheme with the Buildings Department. This registration is the essential qualification required to legally undertake demolition works in Hong Kong. In the public sector, contractors must also be approved under the Development Bureau List of Approved Suppliers of Materials and Specialist Contractors for Public Works. The market is remarked by intense competition, stringent safety and technical requirements, and strong emphasis on price, past performance records, and environmental compliance.

In response to increasingly complex urban demolition requirements, leading demolition contractors have strengthened their capabilities and broadened their service scope. Many now offer integrated solutions that include selective demolition, hazardous material removal such as asbestos abatement, advanced waste sorting and recycling, real-time monitoring systems, and full coordination with site formation works. To enhance competitiveness, top players are investing in modern demolition equipment such as high-reach excavators and robots, adopting digital tools like BIM for demolition planning, and emphasising sustainable practices. This enables better control over safety, environmental impact, project schedule, and cost efficiency, which are critical success factors in Hong Kong dense, high-regulation urban environment.

Ranking and Market Share

The Hong Kong building demolition works market is relatively concentrated, with the top five leading participants contributing an aggregate market share of approximately 25.3% in terms of revenue in 2025. The Group is the third largest building demolition works contractor in Hong Kong in 2025 and recorded the revenue of approximately HK$128.0 million for the provision of building demolition works in Hong Kong, with a market share of 4.9% in 2025.

Leading participants in building demolition market by revenue (Hong Kong), 2025

Rank	Market participants		Estimated revenue *(Million HK$)*	Market share *(%)*
1	Company A		200.0	7.6%
2	Company B		150.0	5.7%
3	The Group		128.0	4.9%
4	Company C		100.0	3.8%
5	Company D		85.0	3.2%
		Subtotal	663.0	25.3%
		Others	1,962.0	74.7%
		Total	2,625.0	100.0%

Source: Development Bureau, Construction Industry Council, Frost & Sullivan

Note:

1. Company A is a private Hong Kong-based registered specialist contractor actively engaged in demolition and hoarding works for Urban Renewal Authority and private redevelopment projects.

2. Company B is a private long-established Hong Kong demolition specialist with experience in building demolition and site clearance works.

3. Company C is a private Hong Kong registered specialist contractor focusing on demolition, foundation and site formation works for both public and private projects.

4. Company D is a private Hong Kong specialist demolition contractor focusing on large-scale mechanical demolition works with advanced equipment and safety practices.

Entry Barrier

High Regulatory and Licensing Requirements — Entering the building demolition market in Hong Kong is heavily restricted by stringent regulatory requirements. Companies must obtain registration as a Registered Specialist Contractor in the Demolition Category (RSC(D)) from the Buildings Department. This process demands substantial technical competence, qualified authorised signatories with relevant experience, proven safety records, and adequate financial resources. The approval process is rigorous and time-consuming, effectively limiting new entrants who lack the necessary credentials and track record in handling regulated demolition works.

Capital Investment and Technical Expertise — Significant capital investment is required to acquire specialised demolition equipment, such as high-reach excavators, breakers, and dust suppression systems, safety infrastructure, and monitoring tools. In addition, deep technical expertise in structural assessment, demolition methodology, hazardous material handling (e.g., asbestos), and environmental protection is essential. New players without established operational capabilities and experienced engineering teams face substantial difficulties in meeting project requirements and safety standards in Hong Kong's dense urban setting.

Established Relationships and Proven Track Record — Developers and main contractors strongly favour contractors with a solid history of successful project delivery and long-term business relationships. New entrants often struggle to secure subcontracting opportunities without demonstrated safety performance, timely project completion, and references from previous clients. This creates a significant barrier, as reputation and trust play a critical role in winning demolition packages in both public and private sector projects.

Factors of Competition

Price Competition and Cost Efficiency — Competition in the demolition market is highly price-sensitive, particularly in government tenders and large redevelopment projects. Contractors compete aggressively on pricing while striving to maintain profit margins. Companies that achieve superior cost efficiency through optimised waste recycling, effective labour management, and advanced equipment utilisation tend to gain a stronger competitive edge in bidding processes.

Safety Performance and Regulatory Compliance — Safety record and full compliance with regulations from the Buildings Department, Labour Department, and Environmental Protection Department are crucial competitive factors. Contractors with excellent safety statistics, comprehensive risk management systems, and a strong track record of regulatory compliance are preferred by main contractors and developers, as any safety incident can lead to blacklisting or loss of future opportunities.

Technical Capability, Innovation, and Project Management Expertise — The ability to execute complex urban demolition projects safely and efficiently is a key differentiator. Contractors that invest in advanced technologies, such as demolition robots, BIM for planning, and real-time monitoring systems, and demonstrate strong project management capabilities are more competitive. This includes expertise in coordinating with adjacent structures, minimising environmental impact, and delivering projects on schedule in Hong Kong's constrained urban environment.

OVERVIEW

This section sets out a summary of material laws, regulations and requirements applicable to our Group's business and operations in Hong Kong. Information contained in this section should not be construed as a comprehensive summary of laws and regulations applicable to our Group.

Laws and regulations in relation to construction works

Buildings Ordinance (Chapter 123 of the Laws of Hong Kong)

The Buildings Ordinance and associated regulations regulate the planning, design, and construction of buildings and associated works. The Buildings Ordinance provides that before the commencement of any building works: (i) prior approval and consent from the Building Authority must be obtained; (ii) authorised persons, namely architects, engineers and surveyors registered under the Buildings Ordinance, must be appointed to coordinate the works, prepare and submit plans for the approval from the Building Authority; (iii) registered professionals must be appointed to design and supervise the works; and (iv) registered contractors must be appointed to carry out the works.

Section 14(1) of the Buildings Ordinance provides that no person shall commence or carry out any building works or street works without having first obtained such prior approval and consent from the Building Authority and such proper appointments. Pursuant to section 41(3) of the Buildings Ordinance, building works (other than drainage works, ground investigation in the scheduled areas, site formation works and minor works) in any building are exempt from the requirement for approval and consent from the Building Authority if the works do not involve the structure of the building.

Section 40 of the Buildings Ordinance provides that any person who knowingly contravenes section 14(1) in respect of building works (other than minor works) shall be guilty of an offence and shall be liable on conviction to a fine of HK$400,000 and to imprisonment for two years, and to a fine of HK$20,000 for each day during which it is proved to the satisfaction of the court that the offence has continued.

Building (Minor Works) Regulation (Chapter 123N of the Laws of Hong Kong) (the "Building (MW) Regulation")

The Building (Minor Works) Regulation is a subsidiary legislation under the Buildings Ordinance which sets out a simplified procedure and requirements to regulate building works specified as "minor works". Under the Building (MW) Regulation, minor works are classified into three classes according to their nature, scale, complexity and the risk to safety they posed. Class I minor works are relatively more complicated with higher level of risk, which require higher technical experience and more stringent supervision and thus the appointment of a prescribed building professional (such as an authorised person, a registered structural engineer, a registered geotechnical engineer and/or a registered inspector) and a prescribed registered contractor (which can be a registered general building contractor, a registered specialist contractor registered under the category of demolition works/site formation works/foundation works/ground investigation field works or a registered minor works contractor). Class II refers to works with comparatively lower complexity and risk to safety and Class III mainly includes common household minor works. Class II and Class III minor works can be carried out by a prescribed registered contractor without the involvement of a prescribed building professional.

Under each class of minor work, it is further sub-divided into eight types (i.e. Type A (alteration and addition works), Type B (repair works), Type C (works relating to signboards), Type D (drainage works), Type E (works relating to structures for amenities), Type F (finishes works), Type G (demolition works) and Type H (works relating to ventilation system inside a building) that correspond to the specialisation of works in the industry as set out in schedule 1 of the Building (MW) Regulation.

A person who wishes to arrange for works to be carried out can commence Class I to Class III minor works without obtaining prior approval and consent of the Building Authority by following the simplified procedures contained in section 14AA of the Buildings Ordinance. The Building Authority

must be notified of the commencement of projects involving Class I and Class II minor works items in the specified form with prescribed plans with supporting documents and site photos, which must be submitted at least seven days before commencement of the works concerned. For projects that involve only Class III minor works, it is not necessary to notify the Building Authority of commencement of the projects as required for Class I and Class II minor works. For projects involving either Class I, Class II or Class III minor works, a certificate of completion of works and plans of the completed works must be submitted to the Building Authority within 14 days after completion of works.

Construction Industry Council Ordinance (Chapter 587 of the Laws of Hong Kong)

Under section 32 and schedule 5 of the Construction Industry Council Ordinance, construction industry levy at 0.5% is to be imposed in respect of construction operations carried out in Hong Kong with a total value exceeding HK$3,000,000. "Construction operations" has the meaning prescribed to it under schedule 1 of the said Ordinance, which includes, among other things, (i) building works as defined in section 2(1) of the Buildings Ordinance; (ii) construction, alteration, repair, maintenance, extension, demolition or dismantling of any buildings or structures, powers lines, telecommunications apparatus or pipelines; (iii) supply and installation of fittings or equipment in any buildings or structures including electrical and mechanical works; (iv) external or internal cleaning and painting of any buildings or structures, which is carried out in the course of construction or maintenance of such buildings or structures; and (v) operations which form an integral part of, or are preparatory to any of the above operations. Section 33 of the said Ordinance provides that levy is payable by a contractor of any construction operations which are subject to the payment of a levy only if the Construction Industry Council gives him a notice of assessment in writing which specifies the amount of the levy payable by the contractor.

Sections 35 and 36 of the Construction Industry Council Ordinance require contractors to give notice of payments and notice of completion, respectively, in respect of construction operations to the Construction Industry Council if (1) the construction operations are carried out under a term contract; or (2) the reasonable estimated total value of the construction operations exceeds HK$3,000,000. For notice of payments, it shall be submitted within 14 days after (1) a payment is made (for construction operations or any stage or part of any construction operations other than those carried out under a term contract); or (2) the last day of the month in which the payment was made (for construction operations carried out under a term contract). For notice of completion, it shall be submitted by the contractor and the authorised person after the completion of any construction operations or after the completion of each stage of construction operations within 14 days after the completion. Failure to give the above notices on time may constitute an offence and lead to a fine of HK$10,000.

In accordance with section 37 of the Construction Industry Council Ordinance, the Construction Industry Council shall assess the amount of levy payable for the construction operations or the stage or part of the construction operations concerned either upon receipt of (1) notice of payment; or (2) notice of completion, if such assessment has not been made upon receipt of the former. An assessment shall be provisional if it is made on an interim payment or a partial payment, or the construction operations concerned are a stage or part of any other construction operations; while a final assessment shall be made on the final payment for the construction operations or completion of the other construction operations as the circumstances may require.

If the amount of the levy is not fully paid within the specified period of 28 days after receiving the notice of assessment, a contractor is liable to pay a penalty of 5% of the unpaid amount of levy pursuant to section 46 of the Construction Industry Council Ordinance.

Laws and regulations in relation to contractor licensing regime and operation

Registered General Building Contractor and Specialist Contractor with the Buildings Department

Under the current contractors registration system in Hong Kong, the Building Authority shall keep a register of general building contractors who are qualified to perform the duties of a general building contractor and a register of specialist contractors who are qualified to carry out specialised works (such as demolition works) specified in the category in the sub-register in which they are entered. Registered general building contractors may carry out general building works and street works which do not include any specialised works designated for registered specialist contractors.

In considering each application for registration as a registered general building contractor or registered specialist contractor, the Building Authority is to have regard to the qualifications, competence and experience of the following key personnel of the applicant:

(a) minimum of one person appointed by the applicant to act for the applicant for the purposes of the Buildings Ordinance, hereinafter referred to as an "Authorised Signatory";

(b) for a corporation — a minimum of one director from the board of directors of the applicant, hereinafter referred to as a "Technical Director" who is authorised by the board to:

  (i) have access to plant and resources;

  (ii) provide technical and financial support for the execution of building works and street works; and

  (iii) make decisions for the company and supervise the Authorised Signatory and other personnel for the purpose of ensuring that the works are carried out in accordance with the Buildings Ordinance; and

(c) for a corporation which appoints a director who does not possess the required qualification or experience as Technical Director to manage the carrying out of building works and street works — an "Other Officer" authorised by the board of directors to assist the Technical Director.

The registered contractor is required to suspend all the building works immediately if there is no Authorised Signatory appointed to act for the contractor for the purposes of the Buildings Ordinance or if there is no Technical Director acting for the contractor and an acceptable replacement is not appointed within a reasonable period of time.

Renewal of registration as registered general building contractor and specialist contractors is required every three years. According to section 8C of the Buildings Ordinance, the Building Authority may refuse an application for renewal of registration and remove the name of the applicant from the register if:

(a) he is satisfied that the applicant is no longer suitable (for any reason) for registration on the relevant register; or

(b) the applicant fails to provide relevant information and documentary proof required by the Building Authority including, but not limited to, updated information on matters supplied on previous applications for registration or renewal of registration.

Registered Minor Works Contractors with the Buildings Department

Pursuant to section 10 of the Building (MW) Regulation, a person not being a natural person may apply to the Building Authority for registration as a registered minor works contractor for one or more types of minor works under one or more classes, and in such case, the applicant must, in respect of each type of minor works under each class to which the application relates, nominate at least one Authorised

Signatory to act for it for the purposes of the Building (MW) Regulation on its registration as a registered minor works contractor. Further, the board of directors of a corporation applying to be minor works contractors shall authorise a minimum of one Technical Director.

Renewal of registration as registered minor works contractor is required every three years. The Building Authority will not allow an application for renewal of registration if a contractor fails to appoint suitable Authorised Signatory or Technical Director to act for it. The Building Authority must remove the name of a registered minor works contractor from the register if the Building Authority does not receive an application by the contractor for the renewal of registration or has refused an application for the renewal.

Registered Specialist Trade Contractors Scheme maintained by the Construction Industry Council

During the Track Record Period and as at the Latest Practicable Date, Riseship Construction was registered as a registered specialist trade contractor in the Registered Specialist Trade Contractors Scheme of the Construction Industry Council under the designated trade category of demolition (Group 2).

Sub-contractors undertaking demolition works in Hong Kong may make an application for registration under the Registered Specialist Trade Contractors Scheme (which replaced the previous Sub-contractor Registration Scheme with effect from 1 April 2019) managed by the Construction Industry Council comprising two registers, being the Register of Specialist Trade Contractors and the Register of Subcontractors.

Since 1 April 2019, subcontractors may apply for registration under the Registered Specialist Trade Contractors Scheme in one or more of the 22 designated trades including, among others, concreting, concreting formwork, curtain wall, demolition, erection of concrete precast component, reinforcement bar fixing, scaffolding, plastering, suspended ceiling, building drainage installation, levelling and setting out, building maintenance and interior fitting-out.

Requirements for registration under the Registered Specialist Trade Contractors Scheme

Applications for registration under the Registered Specialist Trade Contractors Scheme are subject to a number of requirements based on the relevant trade category and tender limits as detailed in Schedule 2 of the Rules and Procedures for the Register of Specialist Trade Contractors issued by the Construction Industry Council in March 2026, which include, amongst others:

(a) a minimum of two senior management with five years of relevant project management experience;

(b) a minimum of four technical staff who satisfy any of the following requirements:

  (i) registered as a registered skilled worker under the Construction Workers Registration Ordinance for the relevant designated trade applying for with at least five years of experience in the relevant designated trade applying for and completed the Safety Training Course for Construction Workers of Specified Trade organised by the Construction Industry Council; or

  (ii) registered as Technically Competent Persons T1 grade (or above) with the Construction Industry Council, i.e. a certificate or diploma holder with minimum total relevant working experience of two years to the satisfaction of the Building Authority;

(c) track record for at least two projects of not less than a total of HK$5 million and at least one project of not less than HK$2.5 million; and

(d) employed capital[(Note 1)] and working capital[(Note 2)] of a minimum of HK$2 million each.

Notes:

1. Employed capital refers to the shareholders' funds. It basically comprises capital, reserves and retained profits of a company. The amount of employed capital will be assessed based on the annual return and financial statements/proof provided.

2. Working capital refers to the net current asset position (current assets minus current liabilities) of a company. The amount of working capital will be assessed based on the annual return and financial statements/proof provided.

Validity period of registration and renewal of registration

A registered specialist trade contractor shall apply for renewal not earlier than six months but not later than three months before the expiry date of its registration by submitting an application to the Construction Industry Council in a specified form and accompanied by the prescribed fees and documents. The committee on Registered Specialist Trade Contractors Scheme which oversees the Registered Specialist Trade Contractors Scheme (the "**RSTC Committee**") may not renew the registration of any registered specialist trade contractor unless the RSTC Committee at its sole discretion is satisfied that the registered specialist trade contractor meets all the relevant renewal requirements and is suitable for renewal. The RSTC Committee may impose additional conditions for the renewal of registration of any registered specialist trade contractor as it thinks fit. An approved renewal for a registered specialist trade contractor shall be valid for not less than 36 months after the decision date for that application for renewal.

List of Demolition Contractors maintained by the Housing Authority

The Housing Authority maintains the lists of works contractors in nine categories (the "**Lists of Works Contractors**"), namely building contractors, piling contractors, demolition contractors, ground investigation contractors, electrical contractors, lift and escalator contractors, fire services and water pump contractors, soft landscape contractors and materials testing laboratories for pile testing. The Housing Authority normally invites tenders for works contracts from among those listed contractors on the Lists of Work Contractors. With effect from 30 October 2024, Riseship Construction has been granted a probationary status on the List of Demolition Contractors maintained by the Housing Authority. As such, Riseship Construction is eligible to tender for demolition works contracts from the Housing Authority of unlimited value.

Riseship Construction is required to meet the following requirements for admission and retention (as applicable) on the List of Demolition Contractors in accordance with the Guide to Registration of Work Contractors and Property Management Services Providers — Part II Specific Guidelines for Demolition Contractors issued by the Housing Authority (last revised in June 2025).

A. Statutory registration requirement

A contractor shall be registered as a Registered Demolition Contractor under the Buildings Ordinance.

B. Financial requirements

A contractor shall satisfy the capital requirements as follows:—

(i) Employed and working capital[(Note 3)]

Working Capital Required	Employed Capital Required
(a) or (b), whichever is higher:	HK$0.92 million
(a) HK$0.92 million; or	HK$3.7 million (outstanding works >/= HK$37 million, < HK$76 million)
(b) (i) 15% of outstanding works (if contractor has either employed capital or working capital under HK$5.8 million); or	HK$7.6 million (outstanding works >/= HK $76 million)
(ii) 10% of outstanding works (if contractor has both employed capital and working capital not less than HK$5.8 million respectively); or	
(iii) 8% on first HK$1,120 million of outstanding works and 10% on remainder (if the contractor is also included in Group NW2 of the List of Building Contractors of the Housing Authority)	

Note 3:

(a) Outstanding works represent the annualised value of outstanding works (including the Housing Authority, the Government and private sector contracts on a world-wide basis) and any tenders under consideration by the Housing Authority.

(b) The issued and paid-up capital and shareholders' funds should both meet the level of minimum employed capital applicable to its highest group and status.

(c) The capital requirements in above table are applicable for applications (including admission, promotion, confirmation, change of name and substitution) received by the Housing Authority and tenders issued on or after 3 January 2024, and for list retention with accounting period ending on or after 31 December 2024.

(ii) Profitability Trend Analysis

A contractor on either confirmed or probationary status is required to demonstrate its financial performance based on its profitability trend analysis.

C. Work experience requirements

For admission to the List of Demolition Contractors, a contractor shall have completed at least one project with demolition works of minimum contract value of HK$2 million with records of satisfactory performance within the past three years from the date of application for inclusion on the list.

D. Minimum number, qualifications and experience of full-time staff

A contractor shall employ at least one Technical Director who is registered with the Buildings Department, and one contract manager or project manager who is registered as an Authorised Signatory with the Buildings Department. Besides, a contractor shall employ at least three staff members as Technically Competent Persons who satisfy the following academic and work experience requirements, respectively:

(i) a certificate or diploma holder with minimum total relevant working experience of two years to the satisfaction of the Building Authority;

(ii) a higher certificate or higher diploma holder with minimum total relevant working experience of five years, or a degree holder with minimum total relevant working experience of two years to the satisfaction of the Building Authority; and

(iii) a degree holder with minimum total relevant working experience of four years to the satisfaction of the Building Authority or a registered professional.

A contractor applying for admission and subsequently admitted onto the List of Demolition Contractors will initially be given probationary status. A probationary contractor may apply for confirmed status within three years from satisfactory completion of one contract awarded by the Housing Authority with minimum value of HK$2 million for demolition works (or a local non-Housing Authority demolition contract of comparable size and complexity[(Note 4)] with other major clients such as the Development Bureau, public organizations or private developers) awarded as main contractor for demolition contract or demolition sub-contractor for piling/building contract with demolition works after inclusion in the List of Demolition Contractors. If the contractor's performance, technical, management and financial capabilities are assessed as satisfactory and it continues to meet the admission and retention criteria, it may be confirmed to be admitted onto the List of Demolition Contractors.

Note 4: Non-Housing Authority contracts of "comparable size and complexity" should comprise the demolition of high rise domestic blocks or other high-rise buildings such as offices, hotels, etc. involving mechanical demolition plant and using hydraulic concrete crushers, on-site sorting of construction and demolition materials, wage monitoring system for payment to workers, safety, environment and health management system etc. with similar contract sums (minimum value of HK$2 million) and similar complexity to a typical contract awarded by the Housing Authority in order to demonstrate the contractor's technical capability, overall coordination and site management skills.

In order to retain the current qualification held, the minimum financial criteria and other requirements on statutory registration and technical personnel set out above must be met. Further, the statement of financial resources with annual audited accounts demonstrating compliance with capital requirements shall be supplied to the Housing Authority within six months from year end date. In the event the approved contractor fails to demonstrate that it meets the capital requirements prescribed by the Housing Authority, regulatory actions such as suspension from tendering, downgrading, or removal from the List of Demolition Contractors may be imposed by the Housing Authority.

List of Demolition Contractors maintained by the Urban Renewal Authority

The Urban Renewal Authority maintains the List of Demolition Contractors. Generally, the Urban Renewal Authority will invite demolition contractors on the List of Demolition Contractors to submit tenders for demolition works projects. Demolition contractors are required to satisfy, among others, the following criteria for inclusion on the List of Demolition Contractors:

A. Other registrations

A contractor shall be a registered specialist contractor in demolition works under the Buildings Ordinance and a registered specialist trade contractor in the designated trade of demolition under Registered Specialist Trade Contractors Scheme of Construction Industry Council.

B. Working Capital

A contractor should generally possess at least a positive capital value. In addition, a contractor is required to maintain minimum capital of HK$920,000.

If a contractor has outstanding contracts in hand, his working capital should amount to at least the following:

	Conditions	Level of Working Capital required
(i)	Contractor has either employed or working capital under HK$5.8 million	15% of the combined annual value of uncompleted works on outstanding contracts both in the public and private sectors including the Housing Authority or the minimum working capital of HK$920,000, whichever is higher
(ii)	Contractor has both employed and working capital not less than HK$5.8 million respectively	10% of the combined annual value of uncompleted works on outstanding contracts both in the public and private sectors including the Housing Authority or the minimum working capital of HK$920,000, whichever is higher

C. Past experience

A contractor shall have a proven record of completion of at least one demolition job with at least 2,500 m^2 floor area in urban area in the past three years in Hong Kong in the role of main contractor.

D. Other requirements

A contractor shall not be suspended from tendering for public bodies and shall possess an ISO certificate with the minimum scope "to carry out the demolition of buildings and structures with demolition design".

For retention on the List of Demolition Contractors, the contractor is required to fulfil the above inclusion criteria in the biennial update (the "**Retention Criteria**").

Circumstances which may lead to exclusion of the contractor from the List of Demolition Contractors include, but are not limited to:

(i) Failure to submit the requested information or particulars at the update;

(ii) Failure to meet the Retention Criteria;

(iii) Not submit any tender for demolition works for the preceding three-year period;

(iv) In liquidation, winding-up of business, bankruptcy or other financial problems;

(v) Unsatisfactory performance with the performance evaluation report's overall assessment grading is "marginal" or below and without satisfactory improvement in the performance after action(s) taken such as issue of warning letter(s) to and/or meetings held with contractors by subject officer; and

(vi) Failure to effect payment to workers (of its employees or sub-contractors) as ordered by the Labour Tribunal or any other appropriate authority which demonstrates the serious negligence or incompetence of the defaulting contractors.

The Urban Renewal Authority may consider suspension from tendering instead of removal from the List of Demolition Contractors.

A contractor who has been removed from the List of Demolition Contractors for items (i) and/or (ii) above may be allowed to apply for re-inclusion in the List of Demolition Contractors at any time after removal. However, a contractor who has been removed from the List of Demolition Contractors for any other reasons is not eligible for re-inclusion in the List of Demolition Contractors for a period of two years from the date of removal.

Laws and regulations in relation to electrical works

Registration under the Electricity Ordinance (Chapter 406 of the Laws of Hong Kong)

The Electricity Ordinance provides for the registration of electrical workers and contractors, and safety requirements for electricity supply and wiring. Pursuant to section 2 of the Electricity Ordinance, "electrical work" means work in relation to the installation, commissioning, inspection, testing, maintenance, modification or repair of a low voltage or high voltage fixed electrical installation and includes the supervision and certification of that work and the design of that installation. Pursuant to section 34 of the Electricity Ordinance, no person shall do business as an electrical contractor or contract to carry out electrical work unless he is a registered electrical contractor. To qualify as a registered electrical contractor registered with the EMSD under the Electricity Ordinance, a corporate applicant must employ at least one registered electrical worker registered under the Electricity Ordinance.

Pursuant to regulation 12 of the Electricity (Registration) Regulations (Chapter 406D of the Laws of Hong Kong), registration for registered electrical contractor is valid for the three-year period shown on the certificate of registration. According to regulation 13 of the Electricity (Registration) Regulations, a registered electrical contractor shall apply to the director of the EMSD for renewal of its/his registration at least one month before and no earlier than four months before the date of expiry of the registration.

Pursuant to section 36 of the Electricity Ordinance, where the director of the EMSD considers that there is evidence that a registered electrical contractor fails to comply with the Electricity Ordinance, he may (i) reprimand the contractor, and/or fine the contractor up to HK$10,000, or (ii) refer the matter to the Secretary for Environment and Ecology for hearing by a disciplinary tribunal, who may do one or more of the following:

(a) reprimand the registrant;

(b) fine a contractor up to HK$100,000;

(c) suspend or cancel the registration of the registrant; or

(d) suspend the registrant's right to apply for registration or renewal of registration for a prescribed period.

Laws and regulations in relation to labour, health and safety

Construction Workers Registration Ordinance (Chapter 583 of the Laws of Hong Kong)

The Construction Workers Registration Ordinance requires construction workers to be registered for carrying out construction work on a construction site. Under section 40 of the Construction Workers Registration Ordinance, no person shall be registered as a registered construction worker unless the Registrar of Construction Workers is satisfied, among other things, that the person holds a relevant certificate referred to in section 6BA(2) of the Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong) in respect of that person's attendance at a construction work-related safety training course.

Further, under section 44 of the Construction Workers Registration Ordinance, the Registrar of Construction Workers shall not renew the registration of a person unless it is satisfied that, among other things, (i) the person has attended the relevant construction work-related safety training course and obtained such relevant certificate, and (ii) if the registration will, on the date of expiry, have been in effect for not less than two years, the person has attended and completed, during the period of one year immediately before the date of application for renewal of the registration, such development courses applicable to his registration as the Construction Industry Council may specify.

In addition, the Construction Workers Registration Ordinance contains a "registered skilled workers for designated trade" provision, which provides that only registered skilled or semi-skilled workers of designated trade divisions are permitted to carry out construction works on construction sites relating to those designated trade divisions independently. Unregistered skilled or semi-skilled workers are only allowed to carry out construction works of designated trade divisions under the instruction and supervision of registered skilled or semi-skilled workers of relevant designated trade division(s). Registered skilled and semi-skilled workers for designated trade divisions shall be included as registered skilled/semi-skilled workers in the Register of Construction Workers, and accordingly, subcontractors of construction sites are required to employ only registered skilled and semi-skilled workers for designated trade divisions to carry out construction works on construction sites in relation to those trade divisions independently.

Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong)

The Factories and Industrial Undertakings Ordinance provides for the safety and health protection to workers in the industrial sector. Under the Factories and Industrial Undertakings Ordinance, it is the duty of a proprietor of an industrial undertaking to take care of, so far as is reasonably practicable, the health and safety at work of all persons employed by him at the industrial undertaking.

The duties of a proprietor extend to include (i) providing and maintaining plant and work systems that do not endanger safety or health, (ii) making arrangements for ensuring safety and health in connection with the use, handling, storage and transport of plant or substances, (iii) providing all necessary information, instruction, training and supervision for ensuring safety and health, (iv) providing and maintaining safe access to and egress from the workplaces, and (v) providing and maintaining a safe and healthy working environment. A proprietor of an industrial undertaking who contravenes any of these duties may be liable to a fine of HK$3,000,000 on summary conviction, or on conviction on indictment to a fine of HK$10,000,000; if found to have contravened wilfully and without reasonable excuse, to a fine of HK$3,000,000 and to imprisonment for six months on summary conviction, or on conviction on indictment to a fine of HK$10,000,000 and to imprisonment for two years.

Further, our project team members responsible for the on-site supervision and inspection works of our projects are required to carry a valid certificate (the "**Green Card**") or an equivalent document in accordance with the Factories and Industrial Undertakings Ordinance while carrying out such site work. According to section 6BA(5) of the Factories and Industrial Undertakings Ordinance, every proprietor on and after the appointed day (as defined in the said ordinance) shall not employ at the undertaking a relevant person who has not been issued a relevant Green Card or whose relevant Green Card has expired. Contravention is liable on conviction to a fine of HK$100,000 (level 6).

Matters regulated under the subsidiary regulations of the Factories and Industrial Undertakings Ordinance, including the Construction Sites (Safety) Regulations (Chapter 59I of the Laws of Hong Kong), covers aspects encompassing (i) the prohibition of employment of persons under 18 years of age (save for certain exceptions), (ii) the maintenance and operation of hoists, (iii) the duty to ensure safety of places of work, (iv) prevention of falls, (v) safety of excavations, (vi) the duty to comply with miscellaneous safety requirements, and (vii) provision of first aid facilities. Non-compliance with any of these rules commits an offence and different levels of penalty will be imposed.

The Factories and Industrial Undertakings (Safety Management) Regulation (Chapter 59AF of the Laws of Hong Kong) (the "Safety Management Regulation")

Under the Safety Management Regulation, any contractor (i) in relation to construction work with a contract value of HK$100 million or more, or (ii) in relation to construction work having an aggregate of 100 or more workers in a day working in a single construction site, or (iii) in relation to construction work having an aggregate of 100 or more workers in a day working in two or more construction sites is obliged to appoint a safety auditor to conduct a safety audit to collect, assess and verify information on the efficiency, effectiveness and reliability of the contractor's safety management system and consider improvements to the system at least once in every six months.

Further, any contractor (i) in relation to construction work having an aggregate of 50 or more but less than 100 workers in a day working in a single construction site, or (ii) in relation to construction work having an aggregate of 50 or more but less than 100 workers in a day working in two or more construction sites is obliged to appoint a person, being a person who is capable of competently carrying out a safety review, to be the safety review officer to conduct a safety review to review the effectiveness of the contractor's safety management system and consider improvements to the effectiveness of the system at least once in every six months. Any person who contravenes these requirements commits an offence and is liable on conviction to a fine of HK$400,000 and to imprisonment of six months.

Further, according to the Safety Management Regulation, the safety auditor shall (i) be a registered safety officer under the Factories and Industrial Undertakings (Safety Officers and Safety Supervisors) Regulations (Chapter 59Z of the Laws of Hong Kong), (ii) have not less than three years' full-time experience, in the five years period immediately preceding the application for registration with the Labour Department, in a managerial post responsible for industrial safety and health matters in respect of an industrial undertaking, (iii) occupy, at the time of the application for registration with the Labour Department, the managerial post referred to point (ii) above or a like post, (iv) have successfully completed a scheme conducted by a registered scheme operator, and (v) understand the requirements under legislation in Hong Kong relating to industrial safety and health matters.

Pursuant to the Code of Practice on Safety Management issued by the Labour Department, a safety auditor should (i) understand his task and be competent to carry it out, (ii) be familiar with the industry and the processes being carried out in the relevant industrial undertaking, (iii) have a good knowledge of the safety management practices in the industry, and (iv) have the necessary experience and knowledge to enable him to evaluate performance and identify deficiencies effectively; while a safety review officer should (i) have a good understanding of the operation of the relevant industrial undertaking in respect of which he conducts the safety review, (ii) have a good understanding of the legal requirements in force in Hong Kong relating to industrial safety and health, and (iii) have received appropriate training in how to review the effectiveness of a safety management system with a view to improving it.

Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong)

The Occupational Safety and Health Ordinance provides for the safety and health protection to employees in workplaces, both industrial and non-industrial. Under the Occupational Safety and Health Ordinance, employers must, as far as reasonably practicable, ensure the safety and health in their workplaces by, among other things:

(a) providing and maintaining plant and work systems that are safe and without risks to health;

(b) making arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage or transport of plant or substances;

(c) as regards any workplace under the employer's control:

  (i) maintenance of the workplace in a condition that is safe and without risks to health; and

  (ii) provision and maintenance of means of safe access to and egress from the workplace that are safe and without any such risks;

(d) providing all necessary information, instructions, training and supervision for ensuring safety and health; and

(e) providing and maintaining a working environment for its employees that is safe and without risks to health.

Failure to comply with any of the above provisions constitutes an offence and the employer is liable (a) on summary conviction to a fine of HK$3,000,000; or (b) on conviction on indictment to a fine of HK$10,000,000. An employer who fails to do so intentionally, knowingly or recklessly commits an offence and is liable (a) on summary conviction to a fine of HK$3,000,000 and to imprisonment for 6 months; or (b) on conviction on indictment to a fine of HK$10,000,000 and to imprisonment for two years.

The Commissioner for Labour may also issue an improvement notice against non-compliance of the Occupational Safety and Health Ordinance or the Factories and Industrial Undertakings Ordinance or suspension notice against activity of the workplace which may create imminent risk of death or serious bodily injury. Failure to comply with such suspension notice without reasonable excuse constitutes an offence and is liable on conviction to a fine of HK$1,000,000 (HK$400,000 in respect of an improvement notice) and to imprisonment for 12 months (the same sentence in respect of an improvement notice), and to a further fine of HK$100,000 for each day during which the offender knowingly and intentionally continues the contravention (not applicable in respect of an improvement notice).

Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong)

The Employees' Compensation Ordinance establishes a no-fault, non-contributory employee compensation system for work injuries. Under the Employees' Compensation Ordinance, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is in general liable to pay compensation even if the employee might have committed acts of faults or negligence when the accident occurred. Similarly, an employee who suffers incapacity arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents.

According to section 15(1A) of the Employees' Compensation Ordinance, an employer must notify the Commissioner of Labour of any accident which results in the total or partial incapacity of the employee not later than 14 days after the accident, irrespective of whether the accident gives rise to any liability to pay compensation. Any employer who, without reasonable excuse, delays or fails to give notice of an accident or makes or furnishes any false or misleading statement to the Commissioner for Labour is liable to prosecution and, upon conviction, to a maximum fine of HK$50,000.

According to section 24 of the Employees' Compensation Ordinance, a principal contractor shall be liable to pay compensation to subcontractors' employees who are injured in the course of their employment to the subcontractor. The principal contractor is, nonetheless, entitled to be indemnified by the subcontractor who would have been liable to pay compensation to the injured employee. The employees in question are required to serve a notice in writing on the principal contractor in the form prescribed by law before making any claim or application against such principal contractor.

Pursuant to section 40 of the Employees' Compensation Ordinance, all employers (including contractors and subcontractors) are required to take out insurance policies to cover their liabilities both under the Employees' Compensation Ordinance and at common law for injuries at work in respect of all their employees (including full-time and part-time employees). Under section 40(1B) of the Employees' Compensation Ordinance, where a principal contractor has undertaken to perform any construction work, it may take out an insurance policy for an amount not less than HK$200 million per event to cover his liability and that of his subcontractor(s) under the Employees' Compensation Ordinance and at common law.

An employer who fails to comply with the Employees' Compensation Ordinance to secure an insurance cover is liable on conviction upon indictment to a fine of HK$100,000 (level 6) and to imprisonment for two years, and on summary conviction to a fine of HK$100,000 (level 6) and to imprisonment for one year.

Employment Ordinance (Chapter 57 of the Laws of Hong Kong)

A principal contractor shall be subject to the provisions on subcontractor's employees' wages in the Employment Ordinance. According to section 43C of the Employment Ordinance, if any wages become due to an employee who is employed by a subcontractor on any work which the subcontractor has contracted to perform, and such wages are not paid within the period specified in the Employment Ordinance, such wages shall be payable by the principal contractor and/or every superior subcontractor jointly and severally. The liability of a principal contractor and superior subcontractor (as the case may be) shall be limited to (i) the wages of an employee whose employment relates wholly to the work which the principal contractor has contracted to perform and whose place of employment is wholly on

the site of the building works, and (ii) the wages due to such an employee for two months without any deductions under the Employment Ordinance and such months shall be the first two months of the period in respect of which the wages are due.

An employee who has outstanding wage payments from subcontractor must serve a notice in writing on the principal contractor within 60 days after the wage due date or another 90 days if permitted. A principal contractor and superior subcontractor (as the case may be) shall not be liable to pay any wages to the employee of the subcontractor if that employee fails to serve a notice on the principal contractor.

Upon receipt of such notice from the relevant employee, a principal contractor shall, within 14 days after receipt of the notice, serve a copy of the notice on every superior subcontractor to that subcontractor (as the case may be) of whom he is aware. A principal contractor who without reasonable excuse fails to serve notice on the superior subcontractor(s) shall be guilty of an offence and be liable on conviction to a fine of HK$50,000 (level 5). Pursuant to section 43F of the Employment Ordinance, if a principal contractor or superior subcontractor pays to an employee any wages under section 43C of the Employment Ordinance, the wages so paid shall be a debt due by the employer of that employee to the principal contractor or superior subcontractor (as the case may be). The principal contractor or superior subcontractor who pays an employee any wages under section 43C of the Employment Ordinance may either (i) claim contribution from every superior subcontractor to the employee's employer or from the principal contractor and every other such superior subcontractor (as the case may be), or (ii) deduct by way of set-off the amount paid by him from any sum due or may become due to the subcontractor in respect of the work that he has subcontracted.

Occupiers Liability Ordinance (Chapter 314 of the Laws of Hong Kong)

The Occupiers Liability Ordinance regulates the obligations of a person occupying or having control of premises on which injury resulting to persons or damage has been caused to goods or other property lawfully on the land. It imposes a common duty of care on an occupier of a premises to take such care so as to ensure that any person will be reasonably safe in using the premises for the purposes for which he is invited or permitted by the occupier to be there.

Immigration Ordinance (Chapter 115 of the Laws of Hong Kong)

Under section 38A of the Immigration Ordinance, a construction site controller should prevent (i) illegal immigrants from being on the construction site; and (ii) persons who are not lawfully employable, as defined under the Immigration Ordinance, from taking employment on the construction site. Any construction site controller who contravenes section 38A of the Immigration Ordinance may be held liable upon conviction of a fine of HK$350,000.

Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong)

The Minimum Wage Ordinance provides for a prescribed minimum hourly wage rate (set at HK$43.1 per hour as at the Latest Practicable Date) during the wage period for every employee engaged under a contract of employment under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). Any provision of an employment contract which purports to extinguish or reduce any right, benefit or protection conferred on the employee by the Minimum Wage Ordinance is void.

Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) (the "MPF Schemes Ordinance")

Employers are required to enrol their full-time and part-time employees (except for certain exempt persons) aged between 18 and 64 years of age who have been employed for a continuous period of 60 days or more in a Mandatory Provident Fund ("**MPF**") scheme within the first 60 days of employment.

For both employees and employers, it is mandatory to make regular contributions into a MPF scheme. For an employee, subject to the maximum and minimum levels of income (set at HK$30,000 and HK$7,100 per month, respectively, as at the Latest Practicable Date), an employer will deduct 5%

of the relevant income on behalf of an employee as mandatory contributions to a registered MPF scheme with a ceiling (set at HK$1,500 as at the Latest Practicable Date). Employer will also be required to contribute an amount equivalent to 5% of an employee's relevant income to the MPF scheme, subject only to the maximum level of income (set at HK$30,000 as at the Latest Practicable Date).

Industry schemes (the "**Industry Schemes**") were established under the MPF schemes for employers in the construction and catering industries in view of high labour mobility and the fact that most employees in these industries are "casual employees" whose employment is on a day-to-day basis or for a fixed period of less than 60 days. The MPF Schemes Ordinance does not stipulate that employers in these industries must join the Industry Schemes. The Industry Schemes provide convenience to the employers and employees in the construction and catering industries. Casual employees do not have to switch schemes when they change jobs within the same industry so long as their previous and new employers are registered with the same Industry Scheme.

New requirements on fire retardant performance of protective nets, screens, tarpaulins and plastic sheeting installed on scaffolding of external wall imposed by the Buildings Department

On 19 December 2025, the Buildings Department issued the Practice Note for Registered Contractors 85 (the "**BD Practice Note**"), which stipulates the key steps that registered general building contractors, registered specialist contractors and registered minor works contractor (collectively the "**registered contractors**") should take to ensure that the protective nets, screens, tarpaulins and plastic sheeting (collectively referred to as "**protective materials**") installed on the scaffolding of external walls of buildings undergoing construction, demolition, alteration and addition, repair or minor works comply with the required standards of fire retardant performance.

According to the BD Practice Note, registered contractors are required to comply with the following new requirements:

(a) **Fire retardant performance test reports:** Prior to the delivery of protective materials to any site, registered contractors should obtain the fire retardant performance test report for the lot of protective materials concerned from the supplier for retention on site and inspection. The recognised standard of fire retardant performance generally accepted by Buildings Department are set forth in the BD Practice Note.

(b) **Sampling and testing:** Sampling should be conducted on each lot of protective materials in the specified manner for testing. Tests should be conducted by accredited laboratories designated by the Government. Protective materials can be installed on scaffolding only when the test results of all samples in each lot have met the required standards. If any sample of an individual lot fails to meet the specified standards, the entire lot of materials must not be used on scaffolding.

(c) **Tracking arrangement:** Where samples are taken off-site, registered contractors should adopt reliable systems (such as QR codes, near field communication (NFC) devices and radio frequency identification (RFID) technologies) to track the materials throughout the entire process from delivery to warehouse, sampling for testing, to collection and delivery to sites for installation on scaffolding, to ensure that the protective materials ultimately installed on scaffoldings belong to the batches that have passed laboratory testing.

(d) **Site audit by the Buildings Department:** Registered contractors may commence the works once the compliant protective materials are installed on scaffolding, and should notify the Buildings Department. The Buildings Department will randomly select individual projects with protective materials installed on scaffolding for testing by laboratories designated by the Government. If any sample from an individual elevation fails to meet the standards, the protective materials on the entire elevation will be deemed non-compliant with the recognised standards and should be completely removed.

Fire retardant performance test reports, purchase orders, material delivery records, and records of the sampling process and sample test results above should be made available on site for inspection.

(e) **Ongoing monitoring of protective materials:** Fire retardant performance of protective materials should be tested periodically to ensure continuous compliance with the recognised standards.

If any registered contractor fails to comply with the aforementioned sampling and testing requirements or the test result of any sample fails to attain the recognised standards, the Buildings Department will order immediate cessation of works and removal of the non-compliant protective materials. Moreover, the Buildings Department will initiate investigation and, upon identifying any contraventions, instigate prosecution and/or disciplinary action under the Buildings Ordinance.

The sampling and testing requirements set out in paragraph (b) above also apply to buildings under construction/demolition. However, taking into account the lower public safety risk, the registered contractors may either: (i) install protective materials on scaffolding first and deliver sufficient samples to designated laboratories for testing taking every four-storeys on an elevation as a lot; or (ii) conduct sampling and testing first. After the samples are found to have complied with the recognised standards, the registered contractors may then install the protective materials on scaffolding.

Amendments to the Construction Site (Safety) Regulations (Chapter 59I of the Laws of Hong Kong) ("CSSR")

On 19 May 2026, the Government introduced the Construction Sites (Safety)(Amendment) Regulation 2026 (the "**Amendment Regulation**") which sets out the legislative amendments on the CSSR into the Legislative Council of Hong Kong. The Amendment Regulation imposes clear legal obligations on contractors of construction works to strictly prohibit smoking in all construction sites, with a view to reducing fire risks and safeguarding the safety of workers and the public.

The former regulation 53 of CSSR stipulates that the Commissioner for Labour may issue an order prohibiting smoking and the use of naked lights in a construction site under specific conditions, i.e. any flammable liquid or any mixture containing any such liquid or any substance or thing involving danger from fire being used or intended to be used in the construction site and the contractors of the site shall take such steps to enforce the prohibition. A contractor who fails to enforce the order and individual who violates the order may be prosecuted.

The Government proposed to amend regulation 53 of the CSSR to the effect that the contractor responsible for a construction site and a contractor who has direct control over any construction work in the site must take all reasonable steps to ensure that:

(a) no person smokes or carries a lighted specified smoking product in the site; and

(b) no person uses a naked light for lighting a specified smoking product in the site.

A "specified smoking product" is defined as a smoking product that can be smoked by lighting the product. A contractor who violated the amended regulation 53 would be an offence punishable on conviction with a fine of HK$400,000.

The primary intention of the Amendment Regulation is to prohibit smoking by lighting, as this activity poses a high fire risk in a construction site and it is therefore confined to specified smoking product which is any smoking product that can be smoked by being lit. The Amendment Regulation was approved by the Legislative Council on 15 July 2026 and took effect on 17 July 2026.

Laws and regulations in relation to environmental protection

Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong)

Pursuant to section 51(1) of the Air Pollution Control Ordinance, the Environmental Protection Department shall keep registers of asbestos consultants and asbestos contractors. According to section 69(1) of the Ordinance, the owner of premises which contain or may reasonably be suspected of containing asbestos containing material shall engage a registered asbestos consultant to carry out an investigation on any asbestos containing material which may be in the premises and submit an asbestos investigation report in accordance with section 70 and, if asbestos containing material is found in the premises, an asbestos abatement plan in accordance with section 71 at least 28 days before he carries out any intended asbestos abatement work or work which involves the use or handling of any asbestos containing material. A person who carries out work on premises contrary to the aforementioned requirements commits an offence and is liable to a fine of HK$200,000 and to a further fine of HK$5,000 for each day during the whole or part of which the court is satisfied that the offence has continued.

Pursuant to section 73(1) of the Air Pollution Control Ordinance, the owner of premises shall give not less than 28 days' written notice to the Environmental Protection Department of the date on which the asbestos abatement work or work involving the use or handling of asbestos containing material is to be commenced. A person who fails to comply with section 73(1) commits an offence and is liable to a fine of HK$200,000.

Pursuant to section 74(1) of the Air Pollution Control Ordinance, an owner of premises who implements an asbestos management plan or an asbestos abatement plan in the premises shall appoint a registered asbestos consultant to supervise the carrying out of the work specified in the plan. Pursuant to section 75(1) of the Air Pollution Control Ordinance, an owner of premises who implements an asbestos abatement plan or carries out work which involves the use or handling of any asbestos containing material in the premises shall appoint a registered asbestos contractor to carry out the work. A person who implements or causes the implementation of an asbestos management plan or asbestos abatement plan contrary to section 74 commits an offence. A person who implements or causes the implementation of an asbestos abatement plan or carries out or causes the carrying out of work involving the use or handling of asbestos containing material contrary to section 75 commits an offence. A person who is convicted of an offence under section 77 is liable to a fine of HK$200,000 and to imprisonment for 6 months and to a further fine of HK$20,000 for each day during the whole or part of which the courts satisfied that the offence has continued.

Air Pollution Control (Construction Dust) Regulation (Chapter 311R of the Laws of Hong Kong)

Under section 3 of the Air Pollution Control (Construction Dust) Regulation, the contractor responsible for a construction site where any notifiable work is proposed to be carried out shall give notice to the public officer appointed under the Air Pollution Control Ordinance (being the air pollution control authority) of the proposal to carry out the work. Such "notifiable work" includes site formation, reclamation, demolition of a building, work carried out in any part of a tunnel that is within 100 metres of any exit to the open air, construction of the foundation of a building, construction of the superstructure of a building or road construction work. Contravention to the aforementioned notification requirement may be liable on conviction to a fine of HK$25,000 (level 4) for the first conviction and to a fine of HK$50,000 (level 5) for a second or subsequent conviction.

Furthermore, the contractor responsible for a construction site shall devise, arrange methods of working and carry out the works in such a manner so as to minimise dust impacts on the surrounding environment, and shall provide experienced personnel with suitable training to ensure that these methods are implemented. Contravention to the dust control requirements (control requirements for notifiable works) under the same regulation may be liable on conviction to a fine of HK$50,000 (level 5) for the

first offence and to a fine of HK$100,000 (level 6) and to imprisonment for three months for a second or subsequent offence, and in addition, if the offence is continuing, to a fine of HK$10,000 for each day during the whole or any part of which the offence continues.

Pneumoconiosis and Mesothelioma (Compensation) Ordinance (Chapter 360 of the Laws of Hong Kong)

The Pneumoconiosis and Mesothelioma (Compensation) Ordinance establishes the Pneumoconiosis Compensation Fund, which consists of monies received from the Government and the relevant levies, surcharges and penalties received from contractors in relation to pneumoconiosis and mesothelioma. The Pneumoconiosis Compensation Fund is administered by the Pneumoconiosis Compensation Fund Board, a statutory body responsible for assessing and collecting the imposed levies and compensating (i) persons suffering from pneumoconiosis and/or mesothelioma and/or (ii) family members of persons who has died of pneumoconiosis and/or mesothelioma. Under the Pneumoconiosis and Mesothelioma (Compensation) Ordinance, contractors are liable to pay a levy for any construction operations with a total value exceeding HK$3,000,000 carried out in Hong Kong, at a rate of 0.15% of the total value of the construction operations concerned.

Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong)

The Noise Control Ordinance controls, among other things, the noise from construction activities. For construction activities that are to be carried out during the restricted hours and for percussive piling during the daytime, not being a general holiday, construction noise permits are required from the Environmental Protection Department in advance. Under the Noise Control Ordinance, construction works that produce noises and the use of powered mechanical equipment (other than percussive piling) are not allowed between 7:00 p.m. and 7:00 a.m. or at any time on general holidays (including Sundays), unless prior approval has been granted by the Environmental Protection Department through the construction noise permit system. Contravention to any of the aforesaid provisions shall be liable to a fine of HK$100,000 (level 6) on the first conviction and to a fine of HK$200,000 on a second or subsequent conviction and in any case to a fine of HK$20,000 for each day during which the offence has continued.

Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong)

A contractor shall observe and comply with the Waste Disposal Ordinance and its subsidiary regulations, including the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Chapter 354N of the Laws of Hong Kong) and the Waste Disposal (Chemical Waste) (General) Regulation (Chapter 354C of the Laws of Hong Kong). Under the Waste Disposal (Charges for Disposal of Construction Waste) Regulation, construction waste can only be disposed at designated prescribed facilities and a main contractor who undertakes construction work with a value of HK$1 million or above will be required, within 21 days after being awarded the contract, to make an application to the Director of Environmental Protection to establish a billing account in respect of that particular contract, and to pay any prescribed charge payables in respect of the construction waste generated from the construction work under that contract.

Under the Waste Disposal Ordinance, a person shall not use, or permit to be used, any land or premises for the disposal of waste unless he has a licence from the Director of Environmental Protection. A person who except under and in accordance with a permit or authorisation, does, causes or allows another person to do anything for which such a permit or authorisation is required shall be liable to a fine of HK$200,000 and to imprisonment for six months on the first conviction and to a fine of HK$500,000 and to imprisonment for six months on a second or subsequent conviction and in any case to an additional fine of HK$10,000 for each day of the continuance of the offence.

Under the Waste Disposal (Chemical Waste) (General) Regulation, any person who produces chemical waste or causes it to be produced is required to register with the Director of Environmental Protection. The waste must be packaged, labelled and stored properly before disposal. Only a licensed collector can transport the waste to a licensed chemical waste disposal site for disposal. Chemical waste producers also need to keep records of their chemical waste disposal for inspection by the staff of the Environmental Protection Department.

Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong)

The Water Pollution Control Ordinance regulates the effluent discharged from all types of industrial, manufacturing, commercial, institutional and construction activities into communal sewers, stormwater drains, river courses or water bodies. For any industry generating wastewater discharge (except domestic sewage that is discharged into communal sewers or unpolluted water to stormwater drains, river courses and water bodies), they are subject to licensing control by the Environmental Protection Department.

All discharges, with the exception as described above, must be covered by an effluent discharge licence and its terms and conditions. The licence shall be granted with a specification of the permitted physical, chemical and microbial quality of the effluent by the Environmental Protection Department unless, for instance, the discharge endangers or is likely to endanger public health or is or is likely to be harmful to the health or safety of any person engaged in the operation or maintenance of a drainage or sewerage system.

According to the Water Pollution Control Ordinance, unless being licensed thereunder, a person who discharges any waste or polluting matter into the waters or discharges any matter into a communal sewer or communal drain in a water control zone shall be liable on conviction to imprisonment for six months and shall be liable to a fine of HK$200,000 on the first conviction and to a fine of HK$400,000 on a second or subsequent conviction and in any case to an additional fine of HK$10,000 for each day of the continuance of the offence.

During the Track Record Period, the Group has applied for licence from the Environmental Protection Department for the discharge of effluent from construction sites.

Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong)

Under section 27 of the Public Health and Municipal Services Ordinance, the person responsible for construction site is required to avoid accumulation of stagnant water in the premises. If the Food and Environmental Hygiene Department finds potential mosquito breeding places in the premises, notice may be served on the person responsible for the premises and failure to comply is an offence. The person responsible for the premises will be prosecuted if mosquito breeding is found. The offences, upon conviction, are liable to a maximum fine of HK$25,000 and a daily fine of HK$450.

Pursuant to section 127 of the Public Health and Municipal Services Ordinance, where a nuisance notice is served on the person by reason of whose act, default or sufferance the nuisance arose or continues, or if that person cannot be found, on the occupier or owner of the premises or vessel on which the nuisance exists, then if either the nuisance to which the notice relates arose by reason of the wilful act or default of that person, or that person fails to comply with any of the requirements of the notice within the period specified therein, that person shall be guilty of an offence. The nuisances which are actionable summarily under section 12 of the Public Health and Municipal Services Ordinance include, among other matters, (i) emission of dust from any building under construction or demolition in such manner as to be a nuisance, (ii) the emission of dust, fumes or effluvia from any premises in such a manner as to be a nuisance, (iii) any accumulation or deposit which is a nuisance or injurious or dangerous to health, and (iv) any premises in such a state as to be a nuisance or injurious or dangerous to health.

Environmental Impact Assessment Ordinance (Chapter 499 of the Laws of Hong Kong)

The Environmental Impact Assessment Ordinance seeks to avoid, minimise and control the adverse impact on the environment of designated projects, such as projects involving earthworks, dredging works and other building works, through the environmental impact assessment process and the environmental permit system. Under the Environmental Impact Assessment Ordinance, designated projects must, unless exempted by the Environmental Protection Department, follow the statutory environmental impact assessment process and/or obtain environmental permits for their construction and operation.

An application for an environmental permit may be made directly with the Environmental Protection Department for the approval of a designated project which will cause limited adverse impacts on the environment and the mitigation measures proposed meet the designated requirements. For other projects, an application for an environmental permit made to the Environmental Protection Department must be accompanied with an environmental impact assessment report.

Any person who constructs or operates a designated project or decommissions a designated project without an environmental permit for the project or contrary to the permit conditions, if any, could be held liable (i) on a first conviction on indictment to a fine of HK$2,000,000 and to imprisonment for six months, (ii) on a second or subsequent conviction on indictment to a fine of HK$5,000,000 and to imprisonment for two years, (iii) on a first summary conviction to a fine at HK$100,000 (level 6) and to imprisonment for six months, and (iv) on a second or subsequent summary conviction to a fine of HK$1,000,000 and to imprisonment for one year, and in any case where the offence is of a continuing nature, a fine of HK$10,000 for each day on which the offence has continued.

Laws and regulations in relation to competition

Competition Ordinance (Chapter 619 of the Laws of Hong Kong)

The Competition Ordinance prohibits restrictions on competition in Hong Kong through three competition rules, namely, (i) the first conduct rule which prohibits anti-competitive agreements (the "**First Conduct Rule**"), (ii) the second conduct rule which prohibits abuse of market power (the "**Second Conduct Rule**"), and (iii) the merger rule which prohibits anti-competitive mergers and acquisitions (the "**Merger Rule**"). The First Conduct Rule and the Second Conduct Rule apply to all sections of the Hong Kong economy. At present, the Merger Rule only applies to mergers involving carrier licence holders within the meaning of the Telecommunications Ordinance (Chapter 106 of the Laws of Hong Kong). Therefore, our Group is subject to the Competition Ordinance generally, save for the Merger Rule.

The First Conduct Rule prohibits businesses from making or giving effect to an agreement, engaging in a concerted practice, or making or giving effect to a decision of an association, if the object or effect to harm competition in Hong Kong. The Second Conduct Rule prohibits businesses with a substantial degree of market power from abusing its power by engaging in conduct that has the object or effect to harm competition in Hong Kong.

Serious anti-competitive conduct is defined under section 2(1) of the Competition Ordinance as any conduct that consists of any one or combination of the following: (i) fixing, maintaining, increasing or controlling the price for the supply of goods or services; (ii) allocating sales, territories, customers or markets for the production or supply of goods and services; (iii) fixing, maintaining, controlling, preventing, limiting or eliminating the production or supply of goods and services; and (iv) bid-rigging.

Orders that the Competition Tribunal may impose for contraventions of the competition rule include, among other things, pecuniary penalties, disqualification order, injunctions, prohibiting a person from making or giving effect to an agreement or to declare an agreement to be void, and award damages. For pecuniary penalty, the maximum penalty in relation to a single contravention can be up to 10% of the turnover of the undertaking concerned for each year in which the contravention occurred, or if the contravention occurred in more than three years, 10% of the turnover of the undertaking concerned for the three years in which the contravention occurred that saw the highest, second highest and third highest turnover. The Competition Tribunal may also order the disqualification of responsible director who has contravened a competition rule for up to five years.

Other relevant laws and regulations

Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) (the "BRO")

The BRO requires every entity which carries on a business in Hong Kong to apply for business registration. Riseship Construction held valid business registration certificates throughout the Track Record Period and as at the Latest Practicable Date.

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the "IRO")

The IRO imposes taxes on property, earnings and profits in Hong Kong. The IRO provides, inter alia, that persons, which include corporations, partnerships, trustees and bodies of persons, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits arising from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business. The IRO also contains provisions relating to, among others, permissible deductions for outgoings and expenses, set-offs for losses and allowances for depreciation.

Our profits arising in or derived from Hong Kong are subject to the profits tax regime under the IRO. As at the Latest Practicable Date, the standard profits tax rate for corporations in Hong Kong is 16.5%.

Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong)

The Trade Marks Ordinance provides for the registration of trade marks, the use of registered trade marks and connected matters. In order to enjoy protection by the laws of Hong Kong, trade marks must be registered with the Trade Marks Registry of the Intellectual Property Department under the Trade Marks Ordinance and the Trade Marks Rules (Chapter 559A of the Laws of Hong Kong).

As at the Latest Practicable Date, our Group had made one trademark application as set out in the paragraph headed "B. Further information about our business — 2. Intellectual property rights" in Appendix IV to this document of which the registration vetting process is pending. According to section 10 of the Trade Marks Ordinance, a registered trade mark is a property right acquired through due registration under such ordinance. The owner of a registered trade mark is entitled to the rights provided by the Trade Marks Ordinance. Pursuant to section 14 of the Trade Marks Ordinance, the owner of a registered trade mark is conferred exclusive rights in the trade mark. The rights of the owner in respect of the registered trade mark come into existence from the date of the registration of the trade mark which is the filing date of the application for registration, according to section 48 of the Trade Marks Ordinance.

Subject to the exceptions in sections 19 to 21 of the Trade Marks Ordinance, any use of the trade mark by third parties without the consent of the registered owner is an infringement of the trade mark. Conducts which amount to infringement of the registered trade mark are further specified in section 18 of Trade Marks Ordinance. Under sections 23 and 25 of the Trade Marks Ordinance, infringement proceedings will be conducted if an infringement of trade mark takes place and the registered owner is entitled to remedies under the Trade Marks Ordinance.

Trade marks which are not registered under the Trade Marks Ordinance and the Trade Marks Rules may still be protected by the common law action of passing off, which requires proof of the owner's reputation in the unregistered trade mark and that use of the trade mark by third parties will cause the owner damage.

OVERVIEW

We (together with our predecessor, Riseship Engineering Co.) have more than 35 years of experience in undertaking demolition works in Hong Kong for various types of projects in the private sector. In 1989, Mr. Lo Kam Kenny, our founder and the chief technical officer of our Group established a sole proprietorship in the trade name of Riseship Engineering Co. providing general construction works as a general contractor in Hong Kong. Mr. Lo Kam Kenny is also the spouse of Ms. Mak Wai Chun and father of Mr. Lo Siu Tong, Mr. Lo Siu Kai and Mr. Lo Cheuk Pui. Please refer to the section headed "Directors and Senior Management" in this document for details of Mr. Lo Kam Kenny's background and industry experience. Leveraged on the know-how, experience and industry connections gained by Mr. Lo Kam Kenny over the years, on 4 May 1993, Mr. Lo Kam Kenny established our principal operating subsidiary Riseship Construction as a limited liability company in Hong Kong. Since 1998, under the leadership of Mr. Lo Kam Kenny, Riseship Construction has specialised in demolition works and other construction works as he considered that such repositioning would enable our Group to focus our resources and expertise on demolition works, and hence develop our core competency in demolition works with competitive edge over our competitors. For details, please refer to the paragraph headed "Business — Competitive Strengths" below in this document.

During the early stage, we initially operated as a general contractor for small and mid-size demolition engagements. Over 35 years of development, we have completed various major demolition projects in Hong Kong. Our expertise and capacity in demolition works have enabled us to undertake projects of different scales and complexity. The types of demolition projects we have successfully completed include industrial buildings, high rise commercial and residential properties and other infrastructure. According to the Frost & Sullivan Report, our Group ranked the fifth largest and the third largest in terms of revenue in 2024 and 2025, respectively, with an increase in market share from approximately 3.0% in 2024 to approximately 4.9% in 2025.

Our vast experience and know-how, long and proven track record have set us apart from our competitors in Hong Kong and allowed us to offer experienced and qualified solutions and services in a safe and timely manner. For further information in relation to our business, please refer to the section headed "Business" in this document.

In anticipation of the **[REDACTED]** and as part of the Reorganisation, our Company was incorporated in the Cayman Islands with limited liability on 19 August 2026 and became the holding company of our Group.

Key Milestones

The following is a summary of our Group's key achievements and business development milestones:

Year	Event
1989	Establishment of a sole proprietorship in the trade name of Riseship Engineering Co. providing general construction works as a general contractor in Hong Kong.
1990	Riseship Engineering Co. was first registered as a registered building contractor with the former Buildings and Lands Department (which was abolished in 1993 and later divided into the Buildings Department and Lands Department). Riseship Engineering Co. was first awarded with a demolition project.
1993	Riseship Construction was incorporated as a limited liability company on 4 May 1993, initially commencing operations as a general building contractor.
1994	Riseship Construction was first awarded with a building erection works project in Yuen Long.
1995	Riseship Construction was first registered as a registered contractor with the Buildings Department (which was subsequently replaced by registered general building contractor and registered specialist contractor in 1997) *(Note)*.
1998	Riseship Construction was admitted as a member of the Hong Kong Construction Association.
1999	Riseship Construction was first certified under ISO 9001:2000. Riseship Construction was first registered as a registered general building contractor with the Buildings Department.
2000	Riseship Construction was first registered as a registered specialist contractor under the category of demolition works with the Buildings Department. Riseship Construction was admitted as a member of the Hong Kong General Building Contractors Association.
2004	Riseship Construction was awarded with a design and demolition works project in Kai Tak which utilised wrecking ball method with contract sum of approximately HK$35 million.
2016	Riseship Construction was first registered as a registered minor works contractor (Classes I, II and III (Type A)) with the Buildings Department.

Year	Event
2018	Riseship Construction was first certified under ISO 14001:2015 and OHSAS 18001:2007.
	Riseship Construction was admitted to the List of Demolition Contractors maintained by the Urban Renewal Authority.
2019	Riseship Construction was first registered as a registered trade specialist contractor under the Registered Trade Contractors Scheme of the Construction Industry Council under the trade category of "demolition (Group 2)".
2022	Riseship Construction was first awarded a demolition project with contract sum exceeding HK$40 million.
2024	Riseship Construction was admitted to the List of Demolition Contractors maintained by the Housing Authority with probationary status granted.
2025	Riseship Construction was awarded a demolition works project located in Kowloon Bay with contract sum exceeding HK$100 million.

Note: Pursuant to the Buildings (Amendment) Ordinance 1996 which became effective on 7 November 1997, there was a transition period of two years for existing registered contractors to adapt to the new registration system for registered general building contractors and registered specialist contractors. As such, the registration of Riseship Construction as a registered contractor continued to be in force for two years after the date of commencement of the Buildings (Amendment) Ordinance 1996.

CORPORATE HISTORY

The following describes the corporate history of the Company and its subsidiaries.

Our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 19 August 2026. Upon incorporation, the authorised share capital of our Company was HK$100,000,000 divided into 10,000,000,000 Shares with par value HK$0.01 each. For subsequent major shareholding changes of our Company as part of the Reorganisation, please refer to the paragraph headed "— Reorganisation" below.

Riseship Construction

Riseship Construction was incorporated in Hong Kong with limited liability on 4 May 1993. It principally engages in the provision of demolition works and other construction works, such as repair and maintenance works, improvement works and rectification works.

On the date of its incorporation, Riseship Construction allotted and issued one share of HK$1 each as fully paid to each of Mr. Lo Kam Kenny and Ms. Mak Wai Chun, respectively, representing 50% and 50% of the issued share capital of Riseship Construction, respectively.

On 10 June 1993, Riseship Construction allotted and issued 59,999 shares and 39,999 shares of HK$1 each as fully paid to Mr. Lo Kam Kenny and Ms. Mak Wai Chun, respectively. Immediately upon such allotment and issuance of shares, Riseship Construction had 100,000 shares in issue, of which 60,000 shares and 40,000 shares were owned by Mr. Lo Kam Kenny and Ms. Mak Wai Chun, representing 60% and 40% of the issued share capital of Riseship Construction, respectively.

On 7 April 1998, the authorised capital of Riseship Construction was increased to HK$1,100,000. On 1 May 1998, Riseship Construction allotted and issued 1,000,000 shares of HK$1.00 each to Mr. Lo Kam Kenny. Immediately upon such allotment and issuance of shares, Riseship Construction had 1,100,000 shares in issue, of which 1,060,000 shares and 40,000 shares were owned by Mr. Lo Kam Kenny and Ms. Mak Wai Chun, respectively, representing approximately 96.4% and 3.6% of the issued share capital of Riseship Construction, respectively.

On 13 June 2016, Riseship Construction further allotted and issued 400,000 shares, 400,000 shares and 200,000 shares to Mr. Lo Cheuk Pui, Mr. Lo Siu Kai and Mr. Lo Siu Tong, respectively. Immediately upon such allotment and issuance of shares, Riseship Construction had 2,100,000 shares in issue, of which 1,060,000 shares, 40,000 shares, 400,000 shares, 400,000 shares and 200,000 shares were owned by Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Cheuk Pui, Mr. Lo Siu Kai and Mr. Lo Siu Tong, respectively, representing approximately 50.5%, 1.9%, 19.0%, 19.0% and 9.6% of the issued share capital of Riseship Construction, respectively.

There were several rounds of allotment and issuance of shares of Riseship Construction during the period from December 2017 to May 2024. Immediately upon the allotment and issuance of shares on 24 May 2024, Riseship Construction had 19,400,000 shares in issue, of which 10,499,200 shares, 341,600 shares, 3,424,000 shares, 3,424,000 shares and 1,711,200 shares were owned by Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Cheuk Pui, Mr. Lo Siu Kai and Mr. Lo Siu Tong, representing approximately 54.2%, 1.8%, 17.6%, 17.6% and 8.8% of the issued share capital of Riseship Construction, respectively.

On 10 February 2026, Mr. Lo Kam Kenny transferred 6,470,000 shares of Riseship Construction to Mr. Lo Cheuk Pui for the consideration of HK$8,654,000, which was fully settled on the same date. The consideration was determined with reference to the net asset value of such number of shares of Riseship Construction at the time of transfer taking into account the contribution and value of long-term service of Mr. Lo Cheuk Pui to our Group. As a result, Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Cheuk Pui, Mr. Lo Siu Kai and Mr. Lo Siu Tong owned 4,029,200 shares, 341,600 shares, 9,894,000 shares, 3,424,000 shares and 1,711,200 shares of Riseship Construction, respectively, representing approximately 20.8%, 1.8%, 51.0%, 17.6% and 8.8% of the issued share capital of Riseship Construction, respectively.

As part of the Reorganisation, Riseship Construction became an indirect wholly-owned subsidiary of our Company.

Power Construction

Power Construction was incorporated in Hong Kong with limited liability on 16 January 2025. It principally engages in provision of building demolition works.

On the date of its incorporation, Power Construction allotted and issued 6,000 shares and 4,000 shares of HK$1 each as fully paid to Riseship Construction and Lek Hin Demolition Company Limited, which is an Independent Third Party, respectively, representing 60% and 40% of the issued share capital of Power Construction, respectively. For details on the background information of Power Construction, please refer to the paragraph headed "Business — Suppliers and Subcontractors — Joint venture arrangement for Project A" in this document.

As part of the Reorganisation, Power Construction became an indirect non-wholly owned subsidiary of our Company.

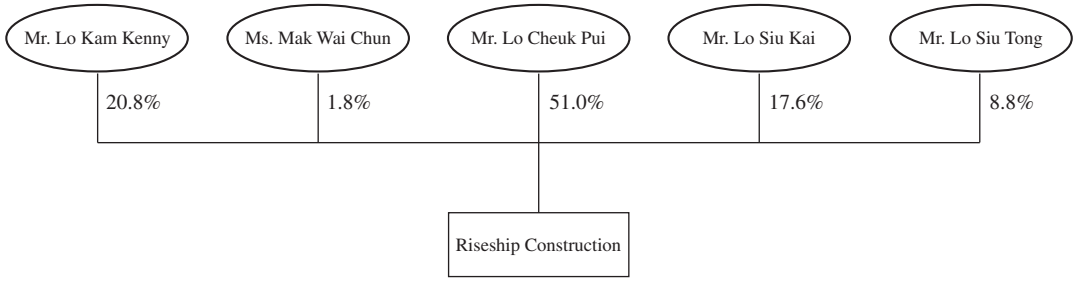
MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we had not conducted any acquisitions, disposals or mergers that were material to the Group.

REORGANISATION

In preparation for the **[REDACTED]**, we undertook the Reorganisation, pursuant to which (a) our Company became the holding company and **[REDACTED]** vehicle of our Group .

The following chart sets out the shareholding and corporate structure of our Group immediately before the Reorganisation:



The Reorganisation involved the following steps:

1. Incorporation of HonTide and Legacy Capital

HonTide was incorporated in the BVI on 8 July 2026 with limited liability. As at the date of incorporation, HonTide was authorised to issue a maximum of 5,000,000 shares of one class with no par value. On 8 July 2026, 706,149, 59,868, 600,082, and 299,901 shares of HonTide were allotted, issued, and credited as fully-paid, to Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai, and Mr. Lo Siu Tong, respectively, representing approximately, 42.4%, 3.6%, 36.0%, and 18.0% respectively, of the entire share capital of HonTide.

Legacy Capital was incorporated in the BVI on 8 July 2026 with limited liability. As at the date of incorporation, Legacy Capital was authorized to issue a maximum of 50,000 shares of one class with no par value. On 8 July 2026, one share of Legacy Capital was allotted and issued to Mr. Lo Cheuk Pui, who became the sole shareholder of Legacy Capital.

2. Incorporation of Cheuk Power Holding Limited and acquisition of Riseship Construction by Cheuk Power Holding Limited

Cheuk Power Holding Limited was incorporated in the BVI on 9 July 2026 with limited liability, and was authorised to issue a maximum of 4,000,000 shares of no par value.

As at the date of incorporation, 1,666,000 and 1,734,000 ordinary shares of Cheuk Power Holding Limited were allotted, issued and credited as fully-paid to HonTide and Legacy Capital, respectively. After the completion of the above allotment and issue of shares, Cheuk Power Holding Limited was directly owned by HonTide and Legacy Capital by 49% and 51% respectively.

On 27 July 2026, Mr. Lo Cheuk Pui, Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai, Mr. Lo Siu Tong transferred 9,894,000, 4,029,200, 341,600, 3,424,000, 1,711,200 shares, respectively, in Riseship Construction, representing approximately 51.0%, 20.8%, 1.8%, 17.6% and 8.8% respectively, of the entire share capital of Riseship Construction, to Cheuk Power Holding Limited. In consideration of the aforementioned transfer of shares of Riseship Construction, Cheuk Power Holding Limited paid to each of Mr. Lo Cheuk Pui, Mr. Lo Kam, Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai, Mr. Lo Siu Tong HK$1.00 in respect of each of the aforementioned share transfers. The above transactions were properly and legally completed on 5 August 2026.

3. Completion of the [REDACTED] Investment and allotment of shares by Cheuk Power Holding Limited to the [REDACTED] Investors

On 18 May 2026, Riseship Construction entered into an investment agreement with **[REDACTED]**, the sole shareholder of **[REDACTED]** in relation to **[REDACTED]** Investment, pursuant to which **[REDACTED]** agreed to subscribe for and Riseship Construction agreed to procure Cheuk Power Holding Limited to issue and allot to **[REDACTED]**, or his nominee, **[REDACTED]** shares in Cheuk Power Holding Limited at the consideration of **[REDACTED]** investing HK$**[REDACTED]** in Riseship Construction. The said investment amount was paid and settled by **[REDACTED]** through a company wholly-owned by **[REDACTED]** in full and received by Riseship Construction on 10 July 2026.

On 20 May 2026, Riseship Construction entered into an investment agreement with **[REDACTED]**, and **[REDACTED]** in relation to **[REDACTED]** Investment, pursuant to which the foregoing parties agreed to subscribe for and Riseship Construction agreed to procure Cheuk Power Holding Limited to issue and allot to **[REDACTED]**, and **[REDACTED]** **[REDACTED]** shares, **[REDACTED]** shares, and **[REDACTED]** shares, respectively, in Cheuk Power Holding Limited, at the consideration of **[REDACTED]**, and **[REDACTED]** investing HK$**[REDACTED]**, HK$**[REDACTED]**, and HK$**[REDACTED]**, respectively, in Riseship Construction. The said investment amount was paid and settled by **[REDACTED]** and **[REDACTED]** in full and received by Riseship Construction on 21 July 2026, 22 July 2026 and 23 July 2026, respectively.

On 11 August 2026, upon receipt of payment of the relevant investment amount by each of the **[REDACTED]** Investors as set out above, Cheuk Power Holding Limited allotted and issued **[REDACTED]** shares, **[REDACTED]** shares, **[REDACTED]** shares and **[REDACTED]** shares, to **[REDACTED]** and **[REDACTED]**, respectively. After the completion of the above allotment and issuance of shares, Cheuk Power Holding Limited was owned by HonTide, Legacy Capital, **[REDACTED]**, and **[REDACTED]** as to approximately **[REDACTED]**, and **[REDACTED]**, respectively.

4. Change in Share Capital of Riseship Construction

In March 2024, the Directors made enquiries with the Housing Authority in relation to the application made by Riseship Construction for admission onto the List of Demolition Contractors maintained by the Housing Authority. Pursuant to the Guide to Registration of Work Contractors and Property Management Services Providers — Part II Specific Guidelines for Demolition Contractors issued by the Housing Authority, applicants for the List of Demolition Contractors are required to satisfy working capital requirements. In May 2024, the Housing Authority requested Riseship Construction to improve its capital by way of increase of share capital, loan or bank overdraft facility as alternative to satisfy the working capital requirements of the Housing Authority. For details on the financial requirement for admission onto the List of Demolition Contractors, please refer to the paragraph headed "Regulatory Overview — Laws and regulations in relation to contractor licensing regime and operation — List of Demolition Contractors maintained by the Housing Authority" in this document. The Housing Authority further confirmed that Riseship Construction may reduce its share capital when its liquid capital is sufficient to satisfy the working capital requirement in the future.

As a result, Riseship Construction increased its share capital on 8 May 2024 and 24 May 2024. On 8 May 2024, Riseship Construction increased its share capital from HK$3,400,000 to HK$13,400,000 through allotment and issuance of a total of 10,000,000 ordinary shares, of which 5,412,000 ordinary shares, 176,000 ordinary shares, 882,000 ordinary shares, 1,765,000 ordinary shares and 1,765,000 ordinary shares were allotted and issued to Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Tong, Mr. Lo Siu Kai and Mr. Lo Cheuk Pui, respectively, credited as fully paid.

On 24 May 2024, the share capital of Riseship Construction was further increased from HK$13,400,000 to HK$19,400,000 through allotment and issuance of a total of 6,000,000 ordinary shares, of which 3,247,200 ordinary shares, 105,600 ordinary shares, 529,200 ordinary shares, 1,059,000 ordinary shares and 1,059,000 ordinary shares were allotted and issued to Mr. Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Tong, Mr. Lo Siu Kai and Mr. Lo Cheuk Pui, respectively, credited as fully paid. Immediately after the aforementioned allotment and issuance of shares, the issued share capital of Riseship Construction was HK$19,400,000.

Taking into account the net current assets of the Company of approximately HK$67.6 million, which is higher than 10% of the total estimated revenue from contract sum yet to be recognised with respect to our projects which had not been completed as at 30 June 2026, the Directors are of the view that the liquid capital of Riseship Construction is sufficient to meet the financial requirements for retention on the List of Demolition Contractors and its business needs. Accordingly, the share capital of Riseship Construction was reduced from HK$19,400,000 to HK$3,400,000 pursuant to the shareholders' special resolution on 2 July 2026. Riseship Construction completed the registration of the above changes with the Companies Registry of Hong Kong on 7 August 2026.

5. Incorporation of the Company

On 19 August 2026, the Company was incorporated in the Cayman Islands as an exempted company with limited liability.

6. Acquisition of Cheuk Power Holding Limited by the Company

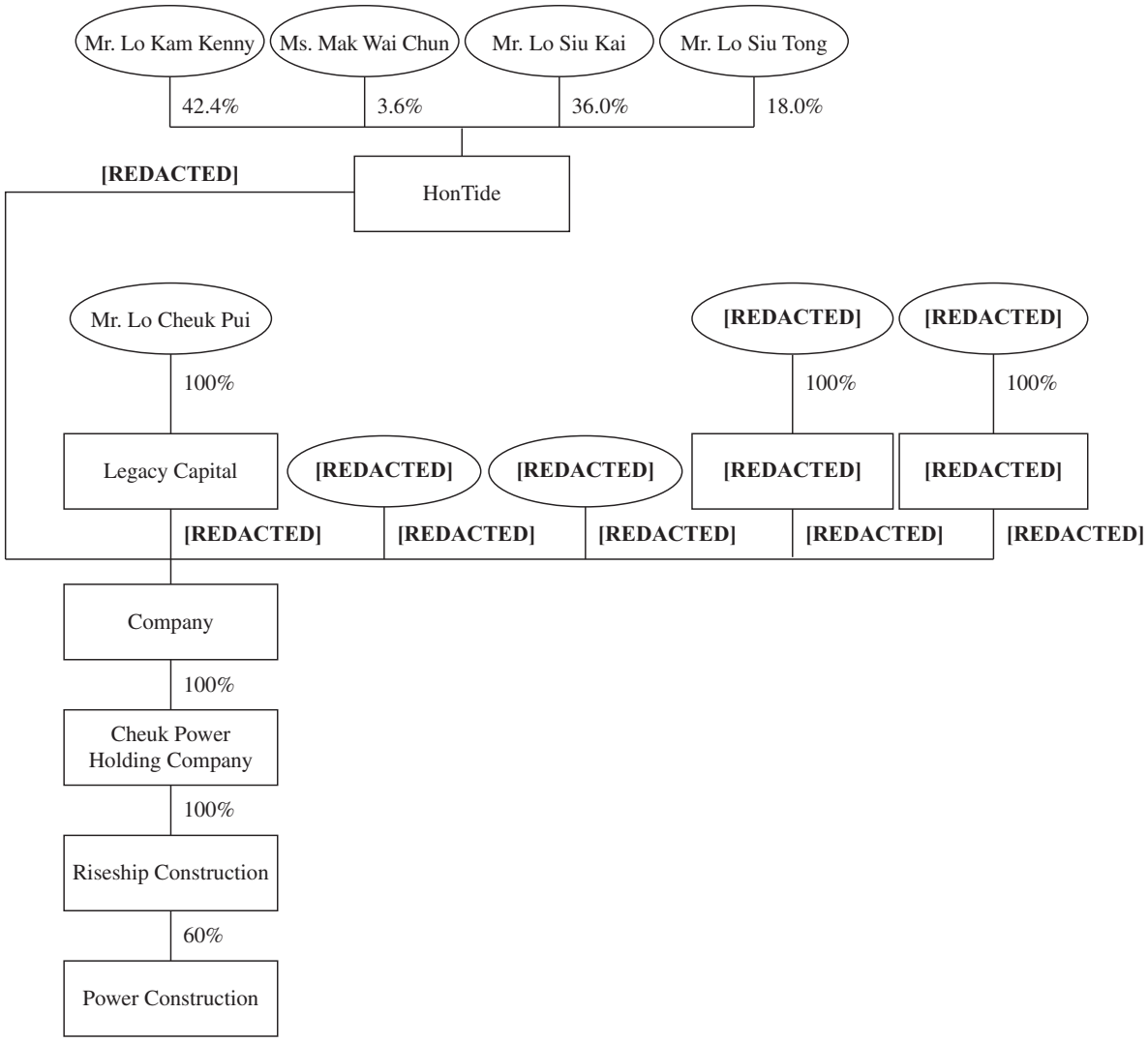
On 19 August 2026, HonTide, Legacy Capital, and the **[REDACTED]** Investors as the sellers and the Company as the purchaser agreed to transfer HonTide, Legacy Capital, and the **[REDACTED]** Investors' respective interests in Cheuk Power Holding Limited, collectively being the entire issued share capital of Cheuk Power Holding Limited to the Company (the "**Share Swap**") and in consideration, the Company allotted and issued **[REDACTED]**, and **[REDACTED]** Shares, credited as fully paid, to HonTide, Legacy Capital, **[REDACTED]**, **[REDACTED]**, **[REDACTED]** and **[REDACTED]**, respectively.

After the completion of the Share Swap, Riseship Construction became an indirect wholly-owned subsidiary of the Company, and Cheuk Power Holding Limited became a wholly-owned subsidiary of the Company. The Company was owned by HonTide, Legacy Capital, **[REDACTED]**, **[REDACTED]**, **[REDACTED]** and **[REDACTED]** as to approximately **[REDACTED]**, and **[REDACTED]**% respectively. The above transactions were properly and legally completed on 19 August 2026.

7. Registration of the Company as a non-Hong Kong company

On [●], the Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance, with principal place of business in Hong Kong at [●]. In connection with the said registration as a non-Hong Kong company, [●] was appointed as the authorised representative of the Company for acceptance of service of process and notices on behalf of the Company in Hong Kong pursuant to the requirements of Part 16 of the Companies Ordinance.

The following diagram sets out the corporate structure of the Group immediately after the **[REDACTED]** of the Reorganisation but before the **[REDACTED]** (without taking into account of any Shares which may be allotted and issued by the Company pursuant to the exercise of the **[REDACTED]** and **[REDACTED]**):

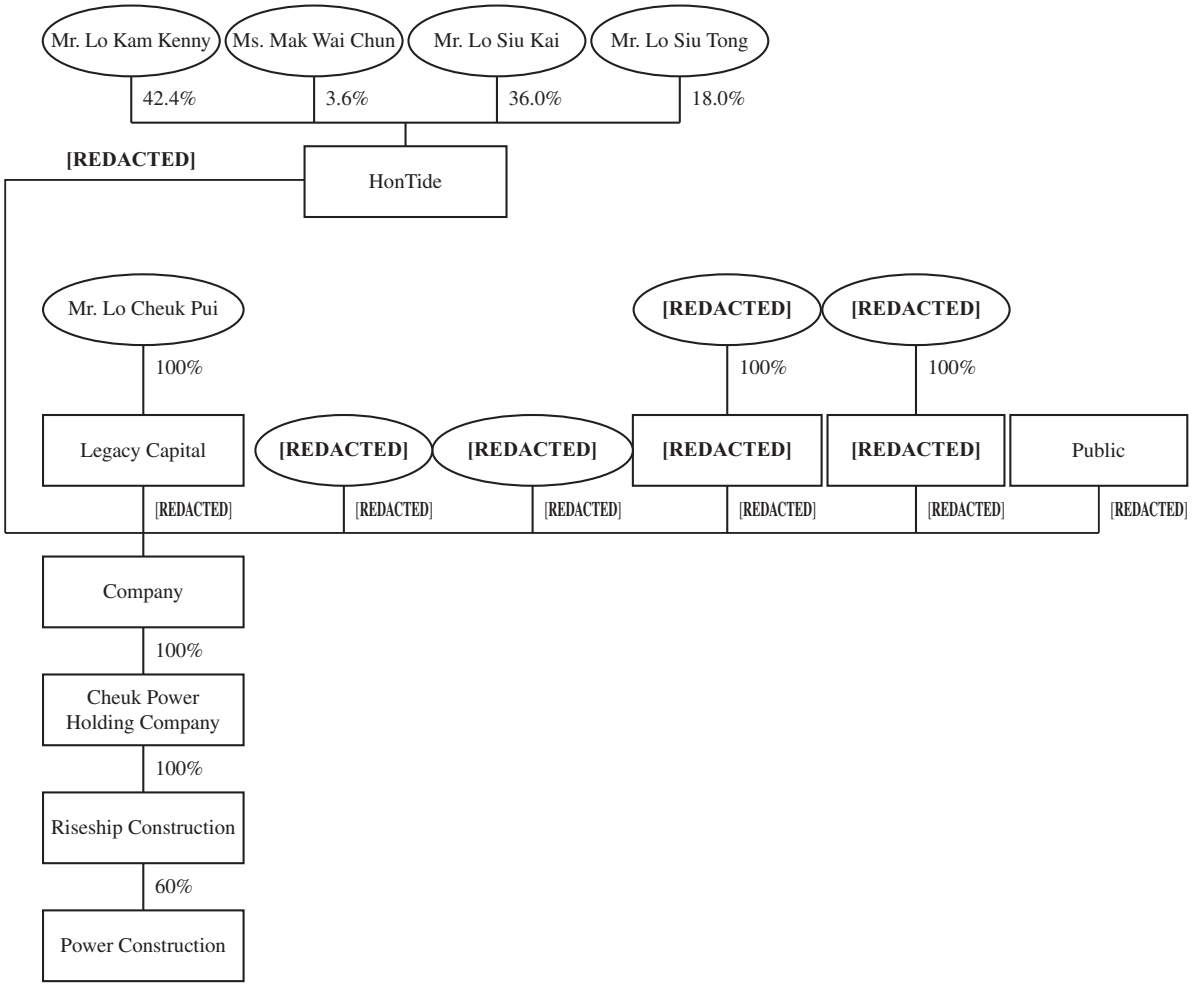


[REDACTED]

Conditional upon the grant of the approval for the **[REDACTED]** of and **[REDACTED]** in the Shares on GEM of the Stock Exchange, the Company will **[REDACTED]** Shares, representing **[REDACTED]**% of its issued share capital (as enlarged by the Shares **[REDACTED]** under the **[REDACTED]**, without taking into account any Shares which may be allotted and issued upon exercise of the **[REDACTED]**) for subscription by way of the **[REDACTED]**.

As a result of the **[REDACTED]**, the number of Shares held by the then existing Shareholders of the Company will constitute up to **[REDACTED]**% of the issued share capital of the Company immediately after **[REDACTED]** of the **[REDACTED]** (without taking into account any Share that may be allotted and issued upon exercise of the **[REDACTED]** or **[REDACTED]**).

The following diagram sets forth the shareholding structure of our Group immediately following the **[REDACTED]** (without taking into account of any Shares which may be allotted and issued by our Company pursuant to the exercise of the **[REDACTED]** and **[REDACTED]**):



[REDACTED]

Our Company has conditionally adopted the **[REDACTED]** pursuant to the written resolutions of our Shareholders passed on [●]. For further details of the **[REDACTED]**, please refer to the sub-section headed "D. **[REDACTED]**" in Appendix IV to this document.

[REDACTED] INVESTMENTS

Our Group has received certain **[REDACTED]** financing from the following **[REDACTED]** Investors since the commencement of our business. The table below sets forth the principal terms of the **[REDACTED]** Investments:

[REDACTED] Investor	**[REDACTED]** *(Note 1)*	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Date of the subscription agreement	18 May 2026	20 May 2026	20 May 2026	20 May 2026
Number of shares of Cheuk Power Holding Limited acquired	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Shares of our Company acquired upon completion of the Share Swap	**[REDACTED]** *(Note 1)*	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Number of Shares held and percentage of shareholding upon **[REDACTED]** *(Note 2)*	**[REDACTED]** *(Note 1)*	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total consideration paid	HK$**[REDACTED]**	HK$**[REDACTED]**	HK$**[REDACTED]**	HK$**[REDACTED]**
Date on which consideration was fully settled	10 July 2026	21 July 2026	22 July 2026	23 July 2026
Basis of consideration	The relevant consideration was determined after arm's length negotiations between our Group and each of the **[REDACTED]** Investors with reference to the financial performance and the business valuation of our Group, the timing of the investments, the status of our business and operation and our future prospects.			
Approximate cost of investment per Share upon **[REDACTED]**	HK$**[REDACTED]**	HK$**[REDACTED]**	HK$**[REDACTED]**	HK$**[REDACTED]**
Post-money valuation of our Company *(Note 4)*	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Approximate percentage of discount to the **[REDACTED]** **[REDACTED]** of HK$**[REDACTED]** being the mid-point of the **[REDACTED]** **[REDACTED]** range *(Note 3)*	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Lock-up	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
[REDACTED]	Not applicable	Not applicable	Not applicable	Not applicable

Strategic benefits of the investments brought to our Company	At the time of the **[REDACTED]** Investments, our Directors were of the view that our Group would benefit from the **[REDACTED]** Investments as such investments would provide working capital for our Group's continued growth and also demonstrated the confidence of the **[REDACTED]** Investors in the business and operations of our Group, serving as an endorsement of our Group's performance, strength and prospects. For details of other benefits brought by the **[REDACTED]** investors to our Company, please refer to the paragraph headed "Background of the **[REDACTED]** Investors" below in this section.			
Approximate shareholding in our Company immediately before the **[REDACTED]**	**[REDACTED]** *(Note 1)*	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Approximate shareholding in our Company immediately after the **[REDACTED]** assuming the **[REDACTED]** and **[REDACTED]** are not exercised	**[REDACTED]** *(Note 1)*	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Whether the Shares held will count towards the **[REDACTED]** under Rule 11.23 of the GEM Listing Rules upon **[REDACTED]**	Yes	Yes	Yes	Yes
Special rights	Nil	Nil	Nil	Nil

Notes:

1. **[REDACTED]** entered into an investment agreement with Riseship Construction in relation of the **[REDACTED]** Investment.

2. Assuming **[REDACTED]** of the **[REDACTED]**, without taking into account any Shares to be issued upon the exercise of the **[REDACTED]** and **[REDACTED]**.

3. For illustration only. Based on the indicative **[REDACTED] [REDACTED]** range, representing a discount of **[REDACTED]**% to HK$**[REDACTED]** per Share, being the lower end of the stated **[REDACTED] [REDACTED]** range, and a discount of **[REDACTED]**% to HK$**[REDACTED]** per Share, being the upper end of the stated **[REDACTED] [REDACTED]** range.

4. The post-money valuation of our Company is determined based on the net profit of HK$**[REDACTED]** of the Company for FY2026 multiplied by a price-to-earnings ratio of approximately **[REDACTED]**.

Background of the [REDACTED] Investors

[REDACTED]

[REDACTED] is a company incorporated with limited liability under the laws of the BVI. As at the Latest Practicable Date, **[REDACTED]** is wholly owned by **[REDACTED]**, an Independent Third Party.

[REDACTED] is a co-founder of Standard Development Group Limited (formerly named as LKS Holding Group Limited), a company incorporated in the Cayman Islands and whose shares are listed on the Main Board of the Stock Exchange (stock code: 1867). According to publicly available information, Standard Development Group Limited is principally engaged in (i) interior fitting-out and renovation

services; and (ii) addition and alteration works for residential, industrial and commercial properties in Hong Kong. With more than 20 years of experience in the construction industry, **[REDACTED]** has established business network in the construction industry, which we believe could bring potential business opportunities to our Group.

[REDACTED] became acquainted with Mr. Lo Cheuk Pui in 2023 as they are members of the Hong Kong General Building Contractors Association. Our Directors believe that the investment by **[REDACTED]** in the Group is based on his confidence in the growth potential of the Group and the long-term outlook of the demolition industry in Hong Kong.

[REDACTED]

[REDACTED] is an individual investor who possesses almost ten years of experience in property management in Thailand and Japan through which he has established business relationship and connections with property developers and property owners.

[REDACTED] became acquainted with the Company in 2025 through the introduction of a mutual contact known to him and Mr. Lo Cheuk Pui. Our Directors believe that the investment by **[REDACTED]** was motivated by his confidence in the Group's competitive strengths and future prospects, as well as the long-term outlook of the demolition industry in Hong Kong. Leveraging **[REDACTED]**'s experience and network in the property management industry, our Directors believe that he could enhance the market exposure of our Group.

[REDACTED]

[REDACTED] is an individual investor with approximately five years of investment experience in companies from a wide variety of industries. **[REDACTED]** also has experience in providing consultancy services on internal control and corporate governance to listed and non-listed companies.

[REDACTED] became acquainted with the Company in early 2026 at a social event. The Directors believe that the investment by **[REDACTED]** in the Group was based on **[REDACTED]**'s appreciation of the growth potential of the Group and confidence in the future development of the Group's business. Leveraging the experience and knowledge of **[REDACTED]** within the internal control and corporate governance industry, our Directors believe that he could provide insight on corporate governance, business strategies and compliance matters of the Group to the Board.

[REDACTED]

[REDACTED] is a private company limited by shares incorporated under the laws of the BVI. As at the Latest Practicable Date, **[REDACTED]** is wholly owned by **[REDACTED]**, an Independent Third Party.

[REDACTED] met Mr. Lo Cheuk Pui at a social event organised by the Lions Club (International District 303 Hong Kong & Macao) in early 2026, during which Mr. Lo Cheuk Pui introduced our Group to **[REDACTED]**. **[REDACTED]** has decided to invest in our Group through **[REDACTED]** as she was attracted by the growth potential of our Group and prospects of the demolition industry in Hong Kong.

[REDACTED] is an individual investor with approximately 15 years of investment experience in private equity and secondary stock market in Hong Kong and overseas through which she has established connections with other investors in the financial market. As such, **[REDACTED]** may introduce potential investors to our Group for fund-raising activities of our Group in the future. Apart from our Group, **[REDACTED]** also holds investment in other companies listed in Hong Kong and overseas.

Save for the **[REDACTED]** Investments, each of the **[REDACTED]** Investors: (i) was not involved in and did not have any role in the management, operation or the **[REDACTED]** of our Group up to the Latest Practicable Date; and (ii) did not have any past or present relationships (including, without limitation, family, trust, employment relationships) or any agreements, arrangements, understanding or undertakings with our Company, our subsidiaries, Shareholders, Directors or senior management and any of their respective associates and is an Independent Third Party as at the Latest Practicable Date.

To the best of our Directors' knowledge, information and belief and having made all reasonable enquiries, each of the **[REDACTED]** Investors has invested in our Group because of appreciation of and confidence in the prospects and potential growth of our Group. Given that none of the **[REDACTED]** Investors is a connected person of our Company, the Shares held by the **[REDACTED]** Investors will be counted towards the **[REDACTED]** upon the **[REDACTED]**.

Sponsors confirmation

The Sponsor has confirmed that each of the **[REDACTED]** Investments is in compliance with (i) paragraphs 3 and 4 of the **[REDACTED]** Investment Guidance (as defined in Chapter 4.2 of the Guide for New **[REDACTED]** Applicants) as the consideration for each of the **[REDACTED]** Investments was settled more than 28 clear days before the date of the first submission of the **[REDACTED]** to the Stock Exchange in relation to the **[REDACTED]**; and (ii) paragraph 11 of the **[REDACTED]** Investment Guidance as there are no special rights granted to any of the **[REDACTED]** Investors that will survive the **[REDACTED]**.

[REDACTED]

Rule 11.23 of the GEM Listing Rules requires that there must be an open market in the securities for which **[REDACTED]** is sought. This will normally mean that for a class of securities new to **[REDACTED]**, at least a minimum prescribed percentage of that class of securities must be held by the public at the time of **[REDACTED]**.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, where the expected market value at the time of **[REDACTED]** does not exceed HK$**[REDACTED]**, at least **[REDACTED]**% of the total issued share capital of our Company must at all times be held by the **[REDACTED]**. Based on: (a) the indicative **[REDACTED]** **[REDACTED]** range of HK$**[REDACTED]**, HK$**[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]** (being the low end, mid-point and high end of the **[REDACTED]** **[REDACTED]** range, respectively); and (b) **[REDACTED]** Shares are expected to be in issue immediately upon **[REDACTED]** of **[REDACTED]**, it is expected that the market value of the Shares at the time of the **[REDACTED]** will be HK$**[REDACTED]**, HK$**[REDACTED]**, and HK$**[REDACTED]** based on such low end, mid-point and high end of the **[REDACTED]** **[REDACTED]** range, respectively.

Immediately following **[REDACTED]** of the **[REDACTED]** (without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of the **[REDACTED]** and the exercise of **[REDACTED]**), the following Shareholders will be connected persons of our Company and accordingly, Shares held by them will not be counted towards the **[REDACTED]** for the purpose of Rule 11.23(7) of the GEM Listing Rules:

— HonTide, a Controlling Shareholder, the issued share capital of which is owned by Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong as to approximately 42.4%, 3.6%, 36.0% and 18.0%, respectively; and

— Legacy Capital, a Controlling Shareholder which is a company wholly owned by Mr. Lo Cheuk Pui.

Save as disclosed above, no other Shareholder is a connected person of our Company as defined in the GEM Listing Rules.

Accordingly, immediately following **[REDACTED]** of the **[REDACTED]** (without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of the **[REDACTED]** and the exercise of **[REDACTED]**), **[REDACTED]**% of our issued Shares will be held by the **[REDACTED]** and be counted towards the **[REDACTED]** for the purpose of Rule 11.23(7) of the GEM Listing Rules irrespective of the **[REDACTED]**.

[REDACTED]

Rule 11.23A of the GEM Listing Rules provides that, there must be sufficient shares for which **[REDACTED]** is sought by a new applicant that are held by the **[REDACTED]** and available for **[REDACTED]** upon **[REDACTED]**. This will normally mean that the portion of the class of shares for which **[REDACTED]** is sought that are held by the **[REDACTED]** and not subject to any disposal restrictions (whether under contract, the GEM Listing Rules, applicable laws or otherwise), at the time of **[REDACTED]**, must: (a) represent at least **[REDACTED]**% of the total number of issued shares in the class of shares for which **[REDACTED]** is sought (excluding treasury shares), with an expected market value at the time of **[REDACTED]** of not less than HK$**[REDACTED]**; or (b) have an expected market value at the time of **[REDACTED]** of not less than HK$**[REDACTED]**. The Company is expected to satisfy the **[REDACTED]** requirement under Rule 11.23A of the GEM Listing Rules.

OVERVIEW

Founded in 1993, our Group is principally engaged in the provision of demolition works as a main contractor in Hong Kong. We also undertake a variety of other construction works, such as repair and maintenance works, rectification works, improvement works and site upkeeping works. Together with our predecessor, Riseship Engineering Co. established in 1989, we have accumulated over 35 years of operating history in the construction industry in Hong Kong. Our projects are primarily undertaken by Riseship Construction, our principal operating subsidiary established in Hong Kong.

As at the Latest Practicable Date, our Group holds a number of qualifications and registrations with the local regulators in Hong Kong, including: (i) registration with the Buildings Department as a specialist contractor in the category of demolition works, (ii) registration with the Buildings Department as a general building contractor, (iii) registration with the Buildings Department as a minor works contractor for alteration and addition works (Classes I, II and III), and (iv) registration with the Electrical and Mechanical Services Department as an electrical contractor. We are also registered as a specialist trade contractor under the category of demolition works in the Registered Specialist Trade Contractors Scheme established by the Construction Industry Council. In addition, our Group has been included in the lists of demolition contractors maintained by the Housing Authority and the Urban Renewal Authority, respectively. Our management systems have also been certified to be in compliance with the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards for building demolition and other building activities.

These qualifications have enabled our Group to undertake a range of construction works, while principally focusing on building demolition works. According to the Frost & Sullivan Report, our Group ranked the fifth largest and the third largest in terms of revenue in 2024 and 2025, respectively, with an increase in market share from approximately 3.0% in 2024 to approximately 4.9% in 2025.

During the Track Record Period, the provision of demolition works was our main source of income and accounted for approximately 93.2%, 93.6%, 96.6% and 86.3% of our total revenue in FY2025, FY2026, 3M2025 and 3M2026, respectively. The below table sets out our revenue during the Track Record Period by types of works for the year/period indicated:

	FY2025		FY2026		3M2025		3M2026	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
					(Unaudited)			
Demolition works	**72,003**	**93.2**	**128,027**	**93.6**	**28,960**	**96.6**	**37,254**	**86.3**
— Revenue from contract sum	62,957	81.5	88,553	64.7	22,968	76.6	24,242	56.2
— Proceeds from disposal of salvage materials	9,046	11.7	39,474	28.9	5,992	20.0	13,012	30.1
Other construction works[(Note)]	**5,277**	**6.8**	**8,773**	**6.4**	**1,010**	**3.4**	**5,936**	**13.7**
Total:	**77,280**	**100.0**	**136,800**	**100.0**	**29,970**	**100.0**	**43,190**	**100.0**

Note: Other construction works included, without limitation, repair and maintenance works, rectification works, improvement works and site upkeeping works.

In undertaking our projects, we derived revenue which comprised (i) the revenue from contract sum, namely the fees which we received from the customers for our services; and (ii) in the case of some demolition projects, the proceeds from the disposal of salvage materials removed from the demolition sites to third party salvage material buyers. The table below sets forth the breakdown of our project revenue by nature for the years/periods indicated:

	FY2025		FY2026		3M2025		3M2026	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
					(Unaudited)			
Revenue from contract sum	68,234	88.3	97,326	71.1	23,978	80.0	30,178	69.9
Proceeds from disposal of salvage materials	9,046	11.7	39,474	28.9	5,992	20.0	13,012	30.1
Total revenue:	**77,280**	**100.0**	**136,800**	**100.0**	**29,970**	**100.0**	**43,190**	**100.0**

During the Track Record Period: (i) all our projects were undertaken by our Group as main contractor; and (ii) all projects undertaken by our Group were private sector projects, comprising mostly building demolition projects commissioned by privately-owned property developers. We generally secure contracts from our customers through a tendering process whereby we are invited to submit tenders or quotation. Our projects are therefore non-recurring in nature.

During the Track Record Period, our Group recognised an overall revenue of approximately HK$257.3 million, comprising approximately (i) HK$97.8 million from 17 completed projects; and (ii) HK$159.5 million from five projects which were ongoing as at the end of the Track Record Period. As at the Latest Practicable Date, we had nine projects on hand with a total awarded contract sum of approximately HK$165.6 million, of which an aggregate amount of approximately HK$116.4 million had been recognised as our revenue and approximately HK$49.2 million remained to be recognised as at the Latest Practicable Date. The amount of revenue expected to be recognised is subject to change due to the actual progress and commencement and completion dates of our projects. Further details of our projects on hand are set out in the paragraph headed "Our projects — Backlog" in this section below.

For FY2025, FY2026 and 3M2026, revenue derived from our five largest customers amounted to approximately 64.6%, 81.7% and 79.9% of our total revenue, respectively. In particular, approximately 20.1%, 60.7% and 50.2% of our revenue were attributable to our largest customer for the respective year or period. For further information regarding our customers, please refer to the paragraph headed "Customers" in this section below.

According to the Frost & Sullivan Report; (i) the gross value of construction works performed by main contractors in Hong Kong increased from approximately HK$233.7 billion in 2021 to approximately HK$287.5 billion in 2025 at a CAGR of approximately 5.3%, and is projected to grow from approximately HK$300.4 billion in 2026 to HK$357.9 billion in 2030 at a CAGR of approximately 4.5%; and (ii) the gross value of building demolition works performed by main contractors in Hong Kong increased from approximately HK$1.4 billion in 2021 to approximately HK$2.6 billion in 2025 at a CAGR of approximately 17.0%, and is projected to continue its upward trajectory from approximately HK$2.8 billion in 2026 to HK$3.8 billion in 2030 at a CAGR of approximately 7.8%, outpacing the general growth rate of the construction industry in Hong Kong. The sustained growth in the market size of demolition works in

Hong Kong is expected to be fueled by, among other things, ongoing large-scale infrastructure and new development plans, such as the Hung Shui Kiu and other Northern Metropolis initiatives, and continuous urban development. In addition, a large number of private residential and commercial buildings constructed between the 1960s and 1980s have reached or will soon reach 50 to 60 years of age and are increasingly considered dilapidated or structurally obsolete, and the Urban Renewal Authority has led many of these redevelopment efforts through various targeted projects. We believe we are well-positioned to capture the growing demand for services for demolition and other construction works given our vast experience, know-how, licences, qualifications, and established client base in Hong Kong.

COMPETITIVE STRENGTHS

Our Directors believe the following competitive strengths have contributed to our Group's continued success and potential for growth:

Well-established presence and proven track record in demolition works in Hong Kong

We are registered with the Buildings Department as a specialist contractor in the category of demolition works, as a general building contractor, and as a minor works contractor for alteration and addition works (Classes I, II and III). We are also registered with the Electrical and Mechanical Services Department as an electrical contractor. Since the establishment of our Group, we have built good reputation and well-established presence in providing specialised works focusing on demolition works, as well as other construction works such as repair and maintenance works, rectification works, improvement works, and site upkeeping works.

During the Track Record Period, our Group recognised an overall revenue of approximately HK$257.3 million, with approximately (i) HK$97.8 million from 17 completed projects; and (ii) HK$159.5 million from five projects which were ongoing as at the end of the Track Record Period. As at the Latest Practicable Date, we had nine projects on hand with a total awarded contract sum of approximately HK$165.6 million, of which an aggregate amount of approximately HK$116.4 million had been recognised as our revenue and approximately HK$49.2 million remained to be recognised as at the Latest Practicable Date. For further details, please refer to the paragraph headed "Our Projects" in this section below.

According to the Frost & Sullivan Report, our Group ranked the fifth and the third largest building demolition works contractor in terms of revenue in Hong Kong, with a market share of approximately 3.0% and approximately 4.9% in 2024 and 2025, respectively. Our Directors believe that our commitment to delivering quality works and high standards of safety has enabled us to gain confidence from our customers and has contributed to our Group's success.

Experienced management team

We have an experienced and dedicated management team under the leadership of our executive Directors and senior management. Our executive Directors and senior management are responsible for formulating the business strategies and overseeing the business operations of our Group. Mr. Lo Kam Kenny, our founder and chief technical officer, possesses over 60 years of experience in the construction industry and has accumulated extensive operational expertise and in-depth understanding of the industry. He founded our Group as well as our predecessor, Riseship Engineering Co., and has played a key leadership role in the development of our Group since its establishment. Mr. Lo Cheuk Pui, our

executive Director, chairman of our Board and our chief executive officer, has also accumulated approximately 28 years of experience in the construction industry since joining our Group, and has led the overall management of our Group's business operations, project execution and the formulation of business strategies. In addition, Mr. Lo Siu Kai, executive Director and site manager, has served at our Group for over 30 years and has been primarily responsible for, among other things, overseeing project execution and site supervision. The expertise and industry knowledge of our executive Directors and senior management are crucial for our Group to understand our customers' needs and the industry trend. Through their leadership over the years, we have achieved various notable milestones in the development of our business as set out in the paragraph headed "History, Reorganisation and Corporate Structure — Key milestones" in this document.

Established relationship with clients, signifying our Group's commitment to high service quality

In addition to various certifications which our Group has obtained for our management systems, including ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, our Directors are of the view that our Group's service quality is also evidenced by its established client base primarily comprising private property developers and salvage material buyers in Hong Kong. As at the Latest Practicable Date, we have maintained over five years of business relationship with a majority of our five largest customers during the Track Record Period, with the longest being over 20 years, as referred to in the paragraph headed "Customers — Major customers" in this section below. Our Directors believe that our Group's established relationship with these clients is a solid proof of our Group's competence in satisfying the needs of our customers attributable to its commitment to high service quality. Our Directors believe that our Group's commitment to quality will continue to be our competitive advantage.

Commitment to occupational safety and quality control

Our Directors believe that the ability to meet customers' requirements in the area of safety and quality assurance is a key to the continued success of our Group, which allows our Group to retain customers and build up customers' confidence toward our Group. We have adopted and implemented management systems in respect of quality control, occupational health and safety and environmental protection which comply with international standards. In particular, our quality management system has been certified to satisfy the requirements of ISO 9001:2015. We have also established an occupational health and safety system, which has been certified to be in compliance with the ISO 45001:2018 standards, to promote safe working practice among all employees and workers and to prevent the occurrence of accidents through safety monitoring and inspections. Further, we have set up an environmental management system, which has been certified to satisfy the requirements of ISO 14001:2015, to ensure compliance with the applicable laws, regulations and codes of practice and to prevent pollution of the environment resulting from projects undertaken by us.

Committing to work site safety, our Group has established stringent and systematic control over its site workers. During the Track Record Period and up to the Latest Practicable Date, our Group recorded no fatal accidents and four reportable accidents involving a total of three workers who were employed by our Group and one reportable accident from our Group's subcontractors, which (to the extent of data available to our Group as at the Latest Practicable Date) represented fatality rates and accident rates well below the average rates in the construction industry in Hong Kong during the Track Record Period. For details of our Group's accident rate, please refer to the paragraph headed "Occupational health and safety — Work accident rates" in this section below.

Our Directors believe that the remarkable safety record and quality standards attained by our Group during the Track Record Period and up to the Latest Practicable Date has served to enhance our public image, credibility and customer confidence.

BUSINESS STRATEGIES

The primary business objective of our Group is to continuously strengthen our competitive position in the construction industry in Hong Kong and to achieve sustainable growth. We intend to achieve our business objective by pursuing the following key strategies:

Continue to strengthen our market position in the industry and expand our business operations

To further strengthen our market position in the construction industry, we intend to increase the number as well as the variety of projects we undertake. During the Track Record Period, we had a total of 22 projects which contributed to our Group's revenue, which comprised demolition projects and other construction works projects, such as repair and maintenance works, rectification works, improvement works and site upkeeping works. Please refer to the paragraph headed "Our projects — Projects with revenue contribution during the Track Record Period" below for further details. During the course of our operating history, we have also undertaken other types of projects such as superstructure works, building erection and alterations and additions works in Hong Kong.

As at the Latest Practicable Date, our licences and qualifications included: (i) registrations with the Building Authority as a specialist contractor for demolition works, as a general building contractor and minor works contractor for alteration and addition works (Classes I, II and III); and (ii) registration with the Electrical and Mechanical Services Department as an electrical contractor. We are also registered as a specialist trade contractor under the category of demolition works in the Registered Specialist Trade Contractors Scheme established by the Construction Industry Council. In addition, we have been included in the lists of demolition contractors maintained by the Housing Authority and the Urban Renewal Authority, respectively. These licences and qualifications enable us to carry on business as a specialist contractor and general building contractor for a range of private sector projects while also qualifying us to undertake projects commissioned by the Housing Authority and the Urban Renewal Authority.

Our Directors believe that our customers will give due consideration to our qualifications as well as track record when evaluating our tender or quotation proposals. Thus, with our above licences and qualifications, established track record and high standards of quality and safety, we believe we will be able to secure more sizable projects for demolition works and other construction works while further diversifying our project portfolio.

Strengthen our machinery

The availability of our machinery and equipment is crucial to our capacity to carry out demolition works and other construction works efficiently. While we have obtained the requisite machinery and equipment primarily through leasing from third party service providers during the Track Record Period, our Directors believe that acquiring additional machinery, in particular advanced and modernised machinery such as long boom excavators and demolition robots, will enable us to undertake demolition works and other construction works of different scales and complexities and to cope with our business expansion plan while lowering our project costs in the longer term.

According to the Frost & Sullivan Report, a prominent trend in the Hong Kong building demolition market is the progressive embrace of technology and increasing investment in research and development. While building demolition has been traditionally a labour-intensive and low-technology sector, leading demolition contractors are now actively adopting advanced solutions such as demolition robots, remote-controlled excavators and AI-powered monitoring systems, which are particularly valuable in confined urban sites by helping to reduce manual labour, minimise environmental impact, improve project precision and enhance overall safety and efficiency. It is our Group's strategy to continue to strengthen our market position and take up more demolition and other construction works projects. As at Latest Practicable Date, we had a total of nine projects on hand, including projects in progress and projects awarded to us but had not yet commenced, with a total awarded contract sum of approximately HK$165.6 million. In order to undertake demolition and other construction works projects of greater size and complexity and to further improve the quality and standards of our services, we plan to acquire machinery with a view to enhancing our work site safety and efficiency while lowering costs in the execution of our projects.

In addition, our Directors believe that such investment in machinery is necessary to maintain our flexibility and efficiency in the utilisation and allocation of own machinery in accordance with our needs, which may vary depending on our workload and work schedules from time to time, with less reliance on third party leasing service providers. As such, it is crucial for us to have our own machinery that enables us to cope with our business development, increase our overall efficiency, capacity and technical capability in performing demolition and other construction works as well as our ability to cater to different needs and requirements of different customers.

We intend to utilise approximately HK$**[REDACTED]**, or approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, for the acquisition of machinery in the two years ending 31 March 2028. Please refer to the section headed "Future Plans and **[REDACTED]**" in this document for further details.

Further enhancing our quality, efficiency and safety standards

According to the Frost & Sullivan Report, driven by stricter regulatory requirements, rising labour costs and the Government's push for sustainable practices under the circular economy framework, companies that invest in research and development are gaining significant competitive advances in securing complex urban development projects, which marks a gradual transformation of the traditionally conservative demolition sector towards greater innovation and technological advancement. Our Directors believe that the integration of AI and other innovative technologies into our operations is key to drive the continued development of our Group's business, in particular the further enhancement of the quality of our works, efficiency and cost-effectiveness of our operations, safety standards and maintenance of our competitiveness in the market.

To this end, our Group has entered into memoranda of understanding with external service providers in Hong Kong in relation to the research and development of (i) an automated vibration monitoring system which integrates IoT and reinforcement learning for structural health monitoring of temporary propping used in top-down mechanical demolition works and (ii) an AI-enhanced site safety monitoring system for the identification and prevention of potential safety risks and hazards in construction works, in order to further strengthen our implementation of the Smart Site Safety System (SSSS) in our operations in accordance with the Development Bureau Technical Circular No. 3/2023 issued by the Works Branch of the Development Bureau of the Government and Practice Note for Registered Contractors No. 80 issued by the Buildings Department in March 2025. Through such initiatives, we aim to enhance our technical capability to streamline our operational processes and further improve the quality, efficiency and safety standards in the implementation and execution of our projects, thereby strengthening our competitiveness and strategic position in the evolving construction industry in Hong Kong, while enabling our Group to exercise more effective control of our project costs.

We intend to utilise approximately HK$**[REDACTED]**, or approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, for further enhancing our quality, efficiency and safety standards through the research and development of AI and other innovative technologies for application in our operations in the two years ending 31 March 2028. For further details, please refer to the section headed "Future Plans and **[REDACTED]**" in this document.

Enhance our manpower

As at the Latest Practicable Date, we had 17 full-time employees, including our executive Directors and senior management as well as other staff members in project management and supervision, human resources and administration, and accounting and finance. In order to cope with our business expansion plans, our Directors consider that additional manpower is required for, among others, project management, site supervision, safety compliance, and technical and administrative support. For further details of our plan for recruitment of additional staff, please refer to the paragraph headed "Future Plans and **[REDACTED]** — Strengthening our manpower" in this document.

As such, we plan to utilise approximately HK$**[REDACTED]** or **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]** for strengthening our manpower. For further details, please refer to the section headed "Future Plans and **[REDACTED]**" of this document.

Adherence to prudent financial management to ensure sustainable growth and capital sufficiency

We will continue to maintain a prudent financial management strategy in our business operations. Our Directors believe that a prudent financial management in capital commitment would provide reasonable return for Shareholders steadily while ensuring our continued growth in the long term. We will continue to adopt a prudent treasury management policy to (i) ensure that our funds are properly and efficiently collected and deployed such that there is no material shortfall in cash which may interrupt our Group's daily business obligations; (ii) maintain sufficient level of funds to settle our liabilities when they fall due; (iii) maintain adequate liquidity to cover our operation cash flow, project expenditures and administrative expenses; and (iv) streamline our operational processes to achieve savings. For details of our cost control measures adopted during our project implementation phase, please refer to the paragraph headed "Our operational flow — Tender or quotation — Preparation of tender proposal or quotation — Budgeting and cost control measures" in this section below.

Our Directors believe that by implementing the above business strategies, we will be able to (i) efficiently manage our projects on hand and newly awarded projects; (ii) participate in demolition and other construction works projects of larger scale while continuing to diversify our project portfolio; (iii) maintain adequate liquidity to cover our operating cash flow, project expenditures and administrative expenses; and (iv) streamline our operational processes to improve our operating efficiency, achieve economies of scale and costs savings, which is of utmost importance to our Group's competitiveness and ongoing business development. Leveraging on our proven track record, our reputation, solid experience in building demolition and other construction works and our prudent financial management, our Directors are of the view that we are well positioned to capture the emerging business opportunities for such projects in the future.

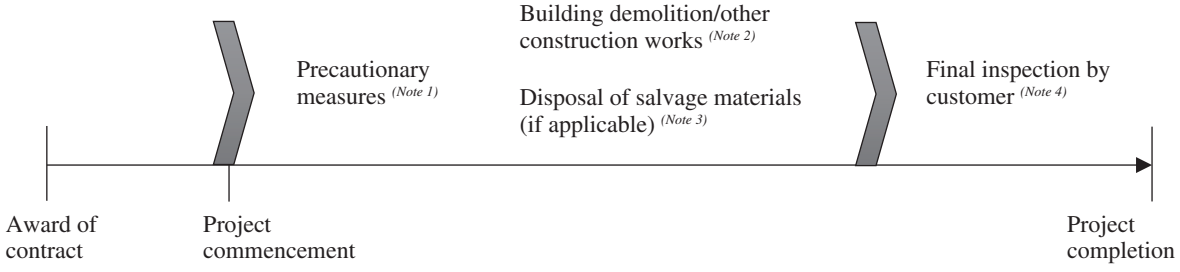
OUR BUSINESS MODEL

Our principal business is undertaking demolition and other construction works projects in Hong Kong. We have experience in various types and scales of projects, including but not limited to the demolition of commercial buildings, residential developments, and other buildings and structures, as well as other construction works such as repair and maintenance works, rectification works, improvement works and site upkeeping works in Hong Kong.

In undertaking our projects, we are engaged by the project owners to carry out various demolition works or other construction works, as the case may be, on the designated sites. These demolition works or other construction works are performed in accordance with the specifications contained in the contract with the project owners. For demolition projects, we generally derive revenue from both demolition works and the disposal of salvaged materials, consistent with industry practice. However, if the expected proceeds from selling salvaged materials are lower than the associated logistics costs, we derive revenue solely from the demolition works. These proceeds vary based on the building type, project scale, and prevailing market prices of the salvaged materials.

For example, smaller-scale and residential demolition projects typically yield fewer salvage materials, resulting in lower proceeds. In some cases, our project management team may decide not to sell these materials if the disposal costs (including time, labour for extraction and sorting, and transportation) exceed their expected economic value.

Below illustrates the typical process and workflow in a project for building demolition or other construction works:



Notes:

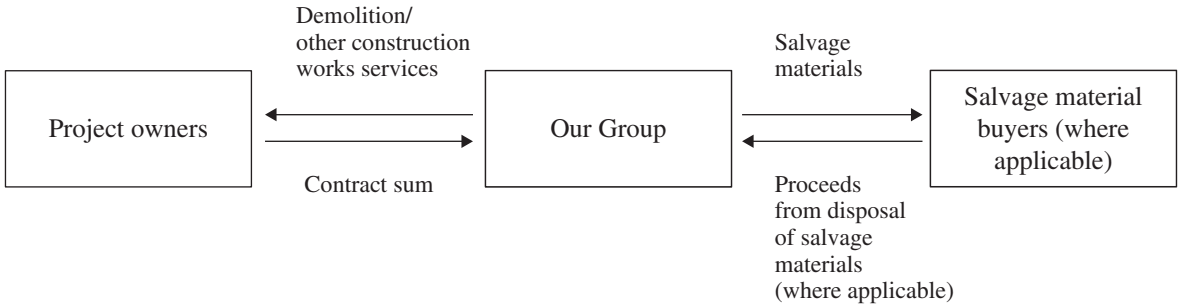
1. Precautionary measures may include hoardings, proppings, covered walkways, catch platforms, catchfans, scaffolding, protective screens and/or safety nets.

2. Building demolition refers to the demolition works of dismantling the relevant structures on the site of our demolition projects. Other construction works may include, without limitation, repair and maintenance works, rectification works, improvement works and site upkeeping works.

3. In the case of demolition projects, salvage materials such as ferrous and non-ferrous metals are continuously produced throughout our demolition works. In line with the industry norm, we dispose of such salvage materials to third party salvage material buyers to obtain the sale proceeds.

4. Upon passing the inspection carried out by the customer or its consultant and (unless exempted) receipt from the Buildings Department of the letter of acknowledgement for the certification of completion of the works, our Group will submit an application for the practical completion certificate to be issued by the customer or its architects. Upon the issuance of the practical completion certificate by the customer or its architects, our Group will be deemed to have accepted our works or, alternatively, the customer or its architects may issue an acceptance certificate to our Group.

During the process of undertaking our demolition or other construction works projects, we derive contract sum from the project owners. For some of our demolition projects, we may also derive proceeds from the disposal of salvage materials (such as ferrous and non-ferrous metals) to the salvage material buyers. The following table demonstrates the business relationship and fund flow amongst our Group, the project owners and the salvage material buyers (where applicable) during the course of a typical project:



Project owners

The project owners are our customers and award to us the projects directly or indirectly through architects or consultants engaged by the project owners. We carry out demolition works or other construction works, as the case may be, on the specified site according to the specifications contained in the contract. Generally, we will receive contract sum from the project owners as fees for our services in undertaking the demolition works or other construction works (as the case may be).

For FY2025, FY2026 and 3M2026, approximately HK$68.2 million, HK$97.3 million and HK$30.2 million were received from contract sum for projects undertaken by our Group, respectively. Such amounts of aggregate contract sum were derived from 17, ten and nine projects in FY2025, FY2026 and 3M2026, respectively.

Salvage material buyers

For demolition projects, salvage materials (principally comprising ferrous and non-ferrous metals) are continuously generated throughout our demolition works and may be sold by us to third party salvage material buyers in line with the industry norm.

Revenue derived from our projects

In undertaking demolition or other construction works projects, we thus derive revenue which comprises: (i) the contract sum from the project owners; and (ii) in the case of demolition projects, the proceeds from the disposal of salvage materials (if any) removed from the demolition sites to third party

salvage material buyers. According to the Frost & Sullivan Report, the disposal of salvage materials removed from demolition sites to salvage material buyers is a common and well-established practice in the building demolition market in Hong Kong, which is in line with market norm and actively encouraged under the Government's circular economy and construction waste management policies. Most professional demolition contractors routinely separate and sell recoverable materials, such as scrap steel, copper wiring and reusable concrete aggregates, which helps offset project costs and reduce land fill disposal fees.

For FY2025, FY2026 and 3M2026, we derived revenue of approximately HK$77.3 million, HK$136.8 million and HK$43.2 million from undertaking building demolition works and other construction works. Among such revenue, the proceeds from the disposal of salvage materials removed from the demolition sites to third party salvage material buyers amounted to approximately HK$9.0 million, HK$39.5 million and HK$13.0 million, representing approximately 11.7%, 28.9% and 30.1% of our total revenue in FY2025, FY2026 and 3M2026, respectively. The amount of proceeds we received from our disposal of salvage materials removed from the demolition sites fluctuated during the Track Record Period as it varied depending on the types of buildings or structures demolished and the prevailing market prices of the salvage materials generated.

According to the Frost & Sullivan Report, demand for salvage materials among recyclers and construction contractors has remained robust in recent years, supported by factors including: (i) the limited availability and rising costs associated with extracting virgin materials, which have increased the attractiveness of secondary resources; (ii) the generally higher cost-effectiveness of recycled metals and other salvage materials as compared to primary materials, which helps contractors and manufacturers reduce input costs; and (iii) strong Government support for construction waste management, the promotion of green buildings, and the wider adoption of green building materials.

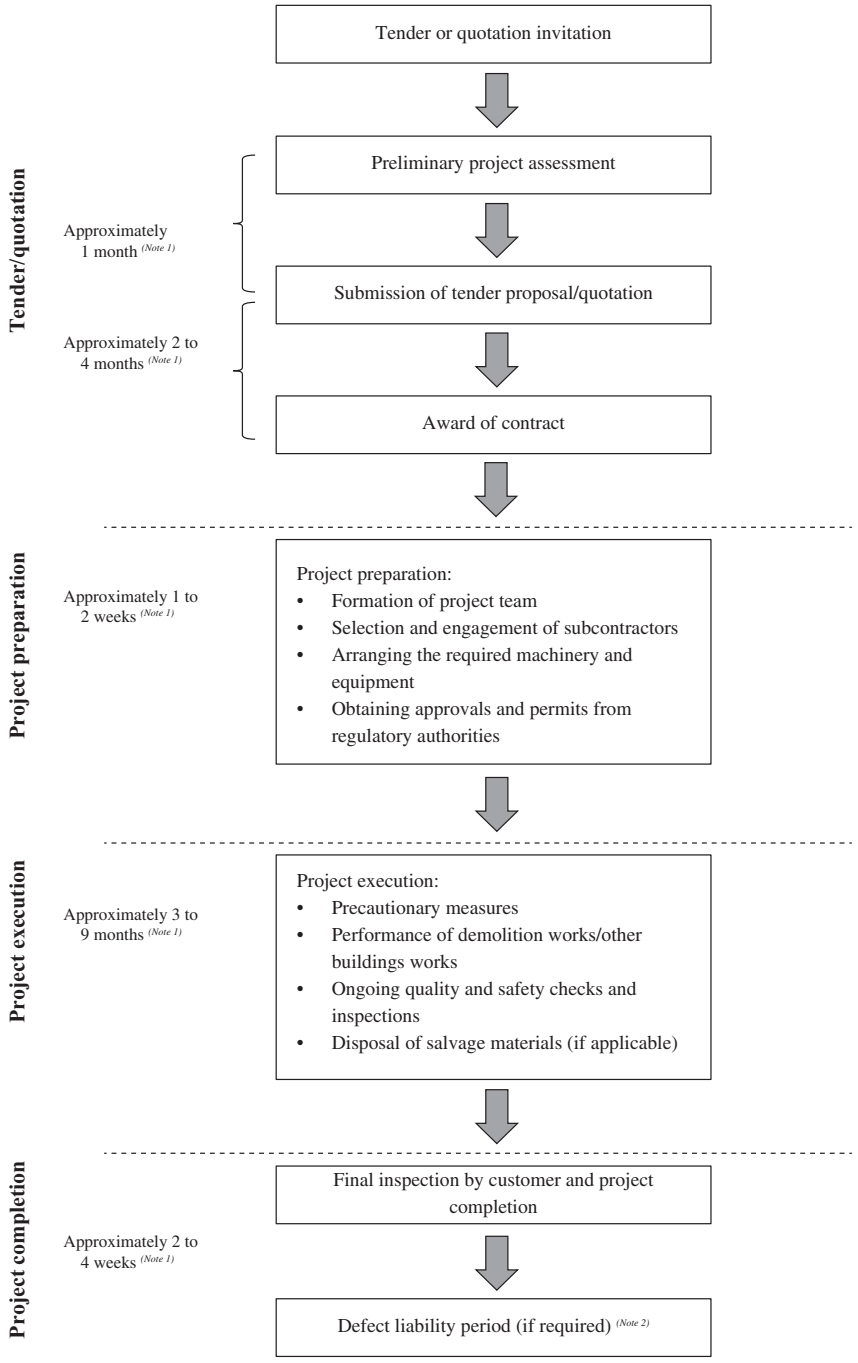
However, if the expected proceeds from selling salvage materials are lower than the associated logistics costs, we derive revenue solely from the contract sum for the demolition works. These proceeds vary based on the building type, project scale, and prevailing market prices of the salvage materials. For example, smaller-scale and residential demolition projects typically yield fewer salvage materials, resulting in lower proceeds. In some cases, our project management team may decide not to sell these materials if the disposal costs (including time, labour for extraction and sorting, and transportation) exceed their expected economic value.

For further details of the process of disposal of salvage materials by us, please refer to the paragraph headed "Our operational flow — Project execution — Disposal of salvage materials" in this section.

OUR OPERATIONAL FLOW

During the Track Record Period, we were engaged as a main contractor by the project owners, or their architects or consultants, to carry out demolition works and/or other construction works on the designated sites. Our projects may require single or multiple types of services depending on the customers' needs and requirements for the relevant projects.

The following diagram illustrates the principal steps in our operational flow in a typical project for demolition works and/or other construction works:



Notes:

1. The timeframe above represents a typical timeframe and is estimated on an approximate basis. The actual timeframe may vary for different projects depending on its scale, complexity, the requirements of our customers, our agreement with the customers on the timeframe for the principal steps, the presence of any variation orders as well as any unforeseeable circumstances.

2. Defect liability period as specified in the contract with the project owner, if any, typically ranges from six months to 12 months.

Tender or quotation

Tender or quotation invitation

During the Track Record Period, we obtained most of our projects through the submission of tenders or quotations upon the invitations or requests of project owners in the private sector such as private property developers or their appointed architects or consultants.

For details of our tendering strategy and success rates of our tenders and quotations, please refer to the paragraphs headed "Tender or quotation — Preparation of tender proposal or quotation" and "Tender or quotation — Award of contract — Tender/quotation success rate" in this section below.

Pre-qualification (if applicable)

In certain cases, including new customers as well as certain existing customers, we may be firstly contacted by the customer to seek for expression of interest. If we express interest to be nominated (or continue to be nominated) as qualified contractor on the customer's list of qualified contractors, the customer will then send our Group a pre-qualification application form to fill in and our Group will then submit the pre-qualification application in order to be on the customer's list of qualified contractors. Such pre-qualification application would generally require our Group to provide information such as our background, financial resources, manpower and project management resources, quality assurance policy, safety and environmental protection policy, work experience and job reference. If our Group passes such pre-qualification screening, we may be informed or receive the potential customer's invitation to submit tender or quotation. We would generally take approximately one to two weeks to collect and submit all the required information for the pre-qualification application.

Preliminary project assessment

Upon receiving the tender or quotation invitation, we will first conduct a preliminary assessment of the potential project before submitting the tender or quotation. This process typically involves: (i) reviewing the tender documents, which generally set out, among other things, brief description of the works required, expected commencement date, contract period, schedule of rates and drawings and time and place for submitting the tender or quotation; (ii) collecting further information of the project from the customers as necessary; and (iii) conducting a site visit of the potential project site to assess the complexity, scale and technical requirements of works to be performed, as well as the expected time and resources required to complete the project, including but not limited to the manpower and machinery which would be required to carry out the works.

In deciding whether to pursue a potential project, we will consider, among other things: (i) the background of and our business relationship with the potential customer; (ii) the nature of the project; (iii) the technical specifications and difficulties; (iv) our previous experience in undertaking similar projects; (v) availability of our resources; and (vi) other details of the projects such as the condition and location of the work site. Any tender documents or quotations will only be prepared after we have carried out an assessment of the works to be undertaken.

Preparation of tender proposal or quotation

Once our Group has decided to proceed with the potential project, we will commence the preparation of the tender proposal or quotation. Concurrently, we will also prepare a preliminary budget proposal for the project taking into account, among other things: (i) the nature, scale and complexity of the project; (ii) the estimated types and numbers of machinery and workers required; (iii) the estimated operation costs; and (iv) expected proceeds from the salvage material buyers for the disposal of salvage materials (if applicable). We will obtain quotations and the relevant unit costs from our suppliers, subcontractors and salvage material buyers (if applicable), as the case maybe, as reference for our budget preparation to determine the profitability and feasibility of the potential projects. For the proceeds from our disposal of salvage materials, we estimate such amount based on the amount and types of salvage materials expected to be removed from the project and the unit price of the relevant materials offered by the relevant salvage material buyers in the market.

Pricing strategy

We adopt a cost-plus pricing model in determining our project fees, having regard to factors such as project schedule, availability of resources, nature and complexity of the project, the estimated types and numbers of machinery and workers required and the expected proceeds from disposal of salvage materials (if applicable). We estimate our costs based on, among other things: (i) the types and scope of works; (ii) the estimated amount of time and materials required and personnel to be involved; (iii) our previous costs in undertaking similar projects; (iv) the quotations and the relevant unit costs obtained from our suppliers and subcontractors; and (v) any risk leading to extension of service period or requirement for additional manpower. For demolition projects, we may also take into account the proceeds which are expected to be received from the disposal of salvage materials removed from the demolition site, which also form a significant source of revenue for our Group. As our proceeds from the disposal of salvage materials are based on the prevailing market prices and the actual volume of salvage materials removed, there is a risk of price fluctuation on the relevant price indicators. While we continuously monitor the latest price trends of such materials, we also seek to minimise the risk of price fluctuation by factoring in such risk in our percentage of markup of project price.

Budgeting and cost control measures

The direct labour costs, subcontracting charges, construction materials, transportation costs, insurance and machinery leasing costs are the major components of the project costs in our Group's projects. Based on our best estimation, the upfront costs payable by our Group before the commencement of the project or in its early stages typically amount to approximately **[REDACTED]** of the total contract sum. Most of the pricing of our Group's projects are fixed and set out in the terms of the contract. Any material deviation in the actual time and resources spent from initial estimation may result in significant cost overruns which may in turn adversely affect the financial results of our Group.

Our Group has the following measures to manage the risk of cost overruns:

(i) a budget proposal which sets out the cost target is prepared by our quantity surveyor for each project and approved by our financial controller and chief executive officer. The execution of the project, including subcontracting, is carried out in accordance with the approved budget plan; and

(ii) in order to control the costs and profit margin of the project, our quantity surveyor will monitor the actual expenses spent on the project and cross-check the same with the budget plan. The cross-check result will be reported by the quantity surveyor to the financial controller; and

(iii) the management of our Group conducts meetings from time to time, usually on a weekly basis, to review and monitor the progress and estimated cost of each ongoing project prepared by the financial controller and the project manager of each project. The financial controller and the project manager updates the estimated cost (and estimated proceeds from disposal of salvage materials, if applicable) of each project on a timely basis and the management of our Group instructs the project manager to take appropriate action to control the costs and expenses incurred and mitigate the risks of cost overrun.

The pricing of our project fees is to be reviewed and approved by our executive Directors for the purpose of tender or quotation submission. However, there is no assurance that we can estimate our costs and value of salvage materials accurately or that our operating costs will not increase, for example due to extension of service period or requirement for additional manpower. For further details, please refer to the paragraph headed "Risk factors — Risks relating to our business — Incorrect estimation of our project operating costs and value of salvage materials to be derived in determining the tender or quotation price will materially and adversely affect our profitability and financial performance" in this document.

Award of contract

After we have finalised our tender proposal or quotation, we will submit the same to our potential customers or their appointed architects or consultants. For tender proposal, we are generally required to prepare a relatively comprehensive set of documents which may include, among other things: (i) a work plan outlining the proposed methods and techniques to be applied; (ii) the proposed workflow; (iii) the quantity and types of machinery and equipment we consider to deploy in performing our work; and (iv) safety supervision plan in accordance with our customer's request and tender specifications. For quotation, we will submit the quotation which typically includes the basic scope of services, price, expected completion date and basic contract terms.

Subsequently, we may be invited to attend tender interviews with our customers or their appointed architects or consultants for sizeable projects to answer queries for our tender submission and to finalise the terms of contract. In some cases, we may also be invited by the customers to provide our "best offer" as part of the tender process, which may involve revised pricing and/or discounts to our original quotation. If our customer decides to engage us after the tender review process, we will receive a letter of award or letter of acceptance issued to us and we may then enter into formal contract with our customer. In the absence of such formal contract, the letter of award or letter of acceptance together with the tender submissions and other related documents would generally constitute the binding contract between the parties. For the principal terms of engagement in a typical contract, please refer to the paragraph headed "Customers — Principal terms of engagement with our customers — Terms of engagement with project owners" in this section below.

Tender/quotation success rate

During the Track Record Period, our projects were typically secured by tender or quotation. The following table sets forth the number of tenders and quotations submitted, number of contracts awarded and the success rate during the Track Record Period and up to the Latest Practicable Date:

	FY2025	FY2026	3M2026 *(Note 1)*	From 1 July 2026 to the Latest Practicable Date *(Note 2)*
Number of tenders/quotations submitted	39	19	7	7
Number of contracts awarded	10	5	2	2
Success rate (%)	25.6	26.3	28.6	28.6

Notes:

1. Out of the seven tenders/quotations submitted by our Group during 3M2026, we received two results and the results of the remaining five tenders/quotations submitted were yet to be known as at the Latest Practicable Date.

2. Out of the seven tenders/quotations submitted by our Group during the period from 1 July 2026 to the Latest Practicable Date, we received two results and the results of the remaining five tenders/quotations submitted were yet to be known as at the Latest Practicable Date.

It is our strategy to be responsive to our customers' tender and quotation invitations, and actively provide to our customers our fee quotations and/or tender submissions upon receipt of their invitations. Our Directors believe that this can enable us to (i) maintain our relationship with customers; (ii) maintain our presence in the market; and (iii) remain well informed of the latest market developments and pricing trends which are useful for tendering projects in the future.

In view of our performance over the Track Record Period and our projects on hand as at the Latest Practicable Date as set out in the paragraph headed "Our Projects — Backlog" in this section below), our Directors consider that the overall success rate of our tenders and quotations during the Track Record Period has been satisfactory in general.

Project preparation

Formation of project team

Depending on the complexity and scale of the project, our project management team may comprise the following key members, with their respective principal roles and responsibilities set out below *(Note 1)*:

Project team member	Roles and responsibilities
Project manager	• Assuming overall responsibility for project execution and progress monitoring • Coordinating with the customer, subcontractors and other members of the project team on the project status • Managing the allocation of resources in a project • Inspecting the work progress on site • Reviewing the progress reports and safety reports
Site manager	• Supervising our workforce on site, including monitoring work efficiency and performance of site workers • Ensuring our works are carried out in strict compliance with the Buildings Ordinance and any approved plans submitted to the Buildings Department (if applicable) • Preparing project progress reports
Site engineer	• Overseeing the engineering and technical aspects of the project, including designing the site operations and suitable methodologies and procedures for the approval of the customer and/or its consultants • Supervising the engineering safety and performance of the works on site
Site foreman	• Assisting the site manager to coordinate and supervise the quality and workmanship of workers for day-to-day site operations
Safety supervisor *(Note 2)*	• Advising our management team on the standards and procedures for the safety, health and protection of workers and other personnel on our construction sites • Supervising the implementation and compliance of our site safety and occupational health standards and procedures • Assisting the external safety officer in carrying out his or her duties
Safety and environmental coordinator	• Assisting the project manager, the safety supervisor and the external safety officer in the daily implementation and supervision of on-site environmental, health, and safety measures

Project team member	Roles and responsibilities
Quantity surveyor	• Managing project budget and costs, including preparation of budget plans and monitoring expenses incurred

Notes:

1. Pursuant to the requirements prescribed by the Buildings Department, each of the registered contractor, the authorized person, registered structural engineer and/or registered geotechical engineer (as applicable) is required to deploy certain technically competent persons ("**TCPs**") who meet the requisite qualifications for the purpose of performing ongoing safety supervision of the building works or street works (other than certain categories of minor works). Depending on the team composition, our site manager, site foreman and/or site engineer in the project team may act as the TCPs under our stream as designated in the supervision plan lodged with the Building Authority.

2. Pursuant to the Factories and Industrial Undertakings (Safety Officers and Safety Supervisors) Regulations (Chapter 59Z of the Laws of Hong Kong), a main contractor is required to employ a person as safety supervisor for each construction site where 20 or more persons are employed on the site. During the Track Record Period and as at the Latest Practicable Date, we have maintained internal staff to act as the safety supervisor for each of our projects with 20 or more persons employed on the construction site in compliance with the Factories and Industrial Undertakings (Safety Officers and Safety Supervisors) Regulations.

In addition, depending on the nature of works involved, the following external personnels who possess the appropriate qualifications may also be appointed by us or our customers to assist and participate in the project:

External personnels	Roles and responsibilities
Authorized person	• Acting as overall coordinator and supervisor of the project • Formulating the overall demolition plans/work plans for the construction works • Making statutory submissions to the Buildings Department prior to the commencement of works
Registered structural engineer	• Conducting structural assessments for the demolition or other construction works • Providing advanced engineering supervision for complex or critical structural modification works (if applicable) • Preparing and submitting structural plans for the approval of the Buildings Department
Registered geotechnical engineer*(Note 1)*	• Conducting structural and geotechnical assessments for the demolition or other construction • Providing advanced engineering supervision for complex or critical structural modification works involving geotechnical aspects (if applicable) • Preparing and submitting structural plans involving geotechnical aspects for the approval of the Buildings Department

External personnels	Roles and responsibilities
Safety officer*(Note 2)*	• Advising on and supervising the implementation of site safety and occupational health measures • Conducting assessments on our Group's site safety management systems • Reporting any safety hazards to the project manager

Notes:

1. A registered geotechnical engineer is required to be appointed for projects which involve slopes, retaining walls and other geotechnical aspects.

2. Pursuant to the Factories and Industrial Undertakings (Safety Officers and Safety Supervisors) Regulations (Chapter 59Z of the Laws of Hong Kong), a main contractor is required to employ a safety officer registered with the Labour Department on a full-time basis if the aggregate number of persons employed on one or more construction sites on which the construction works are carried out is 100 or more.

Selection and engagement of subcontractors

During the Track Record Period, we mainly acted as the main contractor in our projects. Taking into account our core expertise and competency, cost effectiveness, required productivity and resources level, we may subcontract to our subcontractors certain parts of the project, such as the erection of propping or other temporary support, hoarding, scaffolding, the demolition of any lifts or escalators (which is required to be conducted by registered lift and escalator contractors) and the investigation and disposal of hazardous waste (such as asbestos) and, in some cases, part or whole of the main construction works. For further details on our selection of subcontractors and our subcontracting arrangements, please refer to the paragraph headed "Suppliers and subcontractors — Criteria for selection of suppliers and subcontractors" in this section below.

Arranging the required machinery and equipment

Our Group's quantity surveyor is responsible for arranging the machinery and equipment required to carry out our projects. During the Track Record Period, the majority of our machinery and equipment were hired from third party machinery and equipment leasing service providers based on the specific requirements of the relevant projects. For further details on our machinery and equipment and rental arrangements, please refer to the paragraph headed "Suppliers and subcontractors — Rental arrangements for machinery and equipment" in this section below.

Depending on the terms of the subcontracting agreement, our subcontractors may be required to be responsible for the procurement of construction materials and/or other consumables required for them to complete their works. Furthermore, our subcontractors may also be required to equip themselves with the necessary machinery for carrying out the works delegated to them and provide the necessary workers for operation of the machinery. Our subcontractors are also required to ensure that all machinery arranged or procured by them and used in their works are in compliance with the relevant statutory safety requirements.

Obtaining approvals and permits from regulatory authorities

Demolition works

Prior to the commencement of demolition works, a demolition plan together with a stability report with supporting calculations, will be prepared and submitted by the authorized person and registered structural engineer (and, in cases where slopes, retaining walls and other geotechnical aspects are involved, the registered geotechnical engineer) to the Buildings Department for approval.

The demolition plan sets out, among other things, the location of the building and layout of all floors of the building to be demolished, a detailed topography of the site and its surroundings, the procedures, methods and sequences for the demolition of the building, and precautionary measures for the protection of the public. The stability report includes, among other things, calculations demonstrating the stability of the building to be demolished during all stages of demolition and the effect on any surrounding buildings, adjoining properties, and party walls caused by the demolition.

Upon approval of the demolition plan, the authorized person will submit to the Buildings Department an application for consent for demolition. The demolition works may begin once the consent of the Buildings Department is obtained. Our Group as the main contractor will also give notice to the Environmental Protection Department in the prescribed form with the specified particulars prior to the commencement of the demolition works.

Other construction works

The required consents and approvals for other construction works will vary depending on the nature of the works to be performed. In general, unless exempted or subject to simplified filing, consent and/or approval procedures, a prescribed plan setting out the particulars of the works to be carried out (including the methods and procedures of such works) will be submitted to the Buildings Department prior to the commencement of the works. The authorized person, registered structural engineer and/or registered geotechnical engineer (as applicable) will be responsible for the preparation and submission of the said work plans and applications and for approval or consent.

Project execution

Precautionary measures

Pursuant to our contracts with the project owners and the applicable codes and regulations, we are required to undertake precautionary measures for the protection of the public, in particular pedestrian, vehicular traffic and the adjacent properties. The safety features are designed by the authorized person, registered structural engineer and/or registered geotechnical engineer to ensure that the demolition or other construction works can be carried out safely and the site personnels are protected.

Depending on the nature of the project and the approved plans, the precautionary measures may include hoardings, proppings, covered walkways, catch platforms, catchfans, scaffolding, protective screens and/or safety nets. These measures are carried out in accordance with the contractual requirements, approved plans and other related documents.

For most of our projects, we are required by our contracts with the project owners to undertake the hoarding works as part of the project, which involves the erection of a temporary fence enclosure along the site boundary to separate the work site from the adjacent properties.

Asbestos investigation and abatement (if applicable)

For some of our demolition projects, we may be required to undertake or arrange the asbestos inspection and abatement works in accordance with the relevant requirements under the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong) prior to the commencement of the project.

In such cases, we will engage third party registered asbestos consultants registered with the Environmental Protection Department to conduct an asbestos survey of the project site to identify, locate, and assess the condition of any asbestos containing materials. The consultant will inspect the premises, review building plans, and collect material samples to be analysed in a registered laboratory. Upon completion of the inspection, an asbestos investigation report will be issued by the consultant. Where asbestos is found, an asbestos abatement plan detailing how the materials shall be safely removed will be prepared, and a registered asbestos contractor registered with the Environmental Protection Department will be appointed by us to carry out the asbestos abatement work in accordance with the approved plan. A notification of commencement of asbestos abatement work, together with the asbestos investigation report and asbestos abatement plan, will be submitted to the Environmental Protection Department not less than 28 days before the commencement of the asbestos abatement work.

With respect to the disposal of the asbestos containing materials as part of the removal process, we are also required to make an application to the Environmental Protection Department for registration as a chemical waste producer in accordance with the requirements of the Waste Disposal (Chemical Waste) General Regulation (Chapter 354C of the Laws of Hong Kong).

Performance of demolition works/other construction works

Building demolition

Building demolition involves the dismantling and removal of pieces or sections of concrete or metals from building structures and the demolition of the entire building by applying different methods such as crushing, breaking and shearing. We usually carry out structural demolition through the use of machinery by the top-down method, which is applicable to most sites in Hong Kong, particularly those situated in urban areas. The demolition process would proceed from the roof to ground in a general trend, while the particular sequences of demolition may vary depending on site conditions, restraints, the building layout, the structural layout and its construction. In general, all cantilevered structures, canopies, verandahs and features attached to the external walls shall first be demolished prior to demolition of the main building and its internal structures on each floor.

The demolition begins with the lifting of the mechanical plant on to the building top floor. The loading to be imposed on the floors by the mechanical plant shall be checked and, if needed, propping will be installed at floor levels below the working floor to safely support the operation of the mechanical plant. The mechanical plant will be lifted onto the roof of the building by the use of mobile crane or other appropriate means as approved by the registered structural engineer. Prior to the lifting operation, propping shall be installed on the floors beneath the roof in accordance with the approved design. The

machine will descend down from one floor to the next floor by means of a ramp. Alternatively, the machine may also be lowered to the next floor by the use of mobile crane or other appropriate means as proposed by the registered structural engineer.

The demolition works are carried out in accordance with the work plan (which typically sets out, among other things, the methods and the machinery and equipment to be deployed in performing our demolition works) submitted by the authorized person or registered structural engineer to the Buildings Department for its approval and consent in accordance with the applicable statutory requirements.

Other construction works

In addition to demolition works, we also undertake a range of other construction works from time to time, including but not limited to repair and maintenance works, rectification works, improvement works and site upkeeping works.

Similarly to our demolition projects, such other construction works would be carried out in accordance with any work plan submitted by the authorized person or registered structural engineer to the Buildings Department (if required) and the requirements and specifications of the customer. The actual methods and techniques applied would vary depending on the nature and scope of the works to be performed and the buildings or structures involved.

Ongoing quality and safety checks and inspections

We have established quality management procedures and conduct our works in accordance with such procedures to ensure that our Group complies with the contract requirements as well as the requirements of applicable laws and regulations. During the project execution process, our project manager and safety supervisor conduct both regular and ad-hoc on-site inspections to monitor the quality of our works and the implementation of our Group's site safety policies and procedures. The external safety officer (if applicable) will also conduct site inspections from time to time to supervise the implementation of site safety policies and procedures and report to our project manager on any safety hazards. In addition, consultants or architects appointed by the customer may also conduct inspection from time to time to ensure the quality of the works complying with the specifications for the projects. For further details, please refer to the paragraphs headed "Quality management" and "Occupational health and safety" in this section below.

Disposal of salvage materials (if applicable)

In the case of demolition projects, we may also remove and dispose the salvage materials generated from the demolition sites as a result of the works performed by us. The types and quantity of salvage materials varied depending on the types and scales of projects. We extract and sort the salvage materials into different categories, which are principally ferrous and non-ferrous metals. The salvage materials are then delivered by our Group to the salvage material buyers and payment is generally settled upon such delivery. For details of our arrangements for the sale of salvage materials, please refer to the paragraph headed "Principal terms of engagement with our customers — Terms of disposal of salvage materials" in this section below. During the Track Record Period, our Group did not export salvage materials out of Hong Kong to any other countries or jurisdictions.

Project completion

Final inspection by customer and project completion

Upon completion of the demolition or other construction works, our project manager team will conduct a final inspection of the works. Once the project passes our internal inspection, we will submit a project completion report to our Group's customer. The customer (or its architects and consultants) will then conduct inspection on the project. From time to time, we may rectify any deficiencies that are identified during the project execution phase or make such modifications or rectifications as the customer may require upon inspection. Unless exempted, a certificate of completion of the works is required to be submitted to the Buildings Department. Upon passing the inspection carried out by the customer or its architects or consultants and receipt of the letter of acknowledgement of the Buildings Department for the certification of completion of the works (unless exempted), our Group will submit an application for the practical completion certificate to be issued by the customer or its architects. Upon the issuance of the practical completion certificate, the customer will be deemed to have accepted our works or, alternatively, the customer or its architects may issue an acceptance certificate to our Group.

The customer final inspection and acceptance process usually takes approximately two to four weeks to complete. Depending on the scale and complexity of the project, during the Track Record Period, the duration of our projects from commencement to completion of our works generally ranged from approximately six to 12 months for building demolition projects and approximately three to six months for other construction projects of smaller scale.

In general, the retention monies which have been retained by the customer from the progress payments or instalments payable by the customer to our Group during the course of the project, which is usually at the rate of 10% of each payment amount but subject to a maximum of 5% of the total contract sum, will be released by the customer to our Group upon the completion of the works and the issue of practical completion certificate or, in cases where there is a specified defects liability period, 50% of the retention monies will usually be released upon completion of the works and the issue of practical completion certificate, while the remaining 50% will be released upon the settlement of the final account between the customer and our Group at the end of the defects liability period.

As at 31 March 2025, 31 March 2026 and 30 June 2026, our retention receivables were approximately HK$3.8 million, HK$3.5 million and HK$3.5 million, respectively. For further details of the payment terms with the project owners, please refer to the paragraph headed "Customers — Principal terms of engagement with our customers — Terms of engagement with project owners" in this section below.

Defects liability period (if applicable)

Some of our customers require a defects liability period, during which we are responsible for rectifying any defects in our works. The defects liability period typically ranges from approximately six to 12 months. Under usual terms of our contracts, we are required to rectify all defective works (if any) during the defects liability period.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, save as disclosed in the paragraph headed "Major customers — Relationship with our customers" in this section below, we did not experience any material claim by our customers in respect of any defective works, and have not made provision for any repair and maintenance cost in respect of defective works during the defects liability period.

OUR PROJECTS

During the Track Record Period, we were primarily engaged in undertaking demolition works projects and other construction works projects as a main contractor in Hong Kong. All of the projects we undertook and all of the contracts awarded to us during the Track Record Period were projects in the private sector.

Projects with revenue contribution during the Track Record Period

For FY2025, FY2026 and 3M2026, there were 17, ten and nine projects with contribution to our Group's revenue, respectively. The following table sets forth a breakdown of the projects with revenue recognition during the Track Record Period which are categorised by reference to the nature of the works and ranges of revenue recognition[(Note)]:

	Number of projects with revenue recognition		
Revenue recognised	**FY2025**	**FY2026**	**3M2026**
Demolition works	**11**	**5**	**7**
HK$10,000,000 or above	2	2	1
HK$5,000,000 to below HK$10,000,000	3	—	1
HK$1,000,000 to below HK$5,000,000	5	2	1
Below HK$1,000,000	1	1	4
Other construction works	**6**	**5**	**2**
HK$10,000,000 or above	—	—	—
HK$5,000,000 to below HK$10,000,000	—	1	1
HK$1,000,000 to below HK$5,000,000	2	1	—
Below HK$1,000,000	4	3	1
Total:	**17**	**10**	**9**

Note: For demolition projects, revenue recognised may also include proceeds received from disposal of salvage materials in addition to the contract sum received from project owners.

The following table sets forth details of the ten projects that contributed the highest aggregate revenue during the Track Record Period, presented in descending order by aggregate revenue recognised[(Note 1)]:

	Project number	Customer[(Note 2)]	Type(s) of works	Type(s) of building/ structure	Commencement date[(Note 3)]	Completion Date/ expected completion date[(Note 4)]	Breakdown of revenue recognised during the Track Record Period by type		Breakdown of revenue recognised during the Track Record Period by year/period			Aggregate revenue recognised during the Track Record Period[(Note 5)]	Cumulative gross profit margin for the Track Record Period[(Note 6)]
							Revenue from contract sum *(HK$'000)*	Proceeds from disposal of salvage material (if applicable) *(HK$'000)*	FY2025 *(HK$'000)*	FY2026 *(HK$'000)*	3M2026 *(HK$'000)*	*(HK$'000)*	%
1.	A	Customer Group A	Demolition and hoarding works	Commercial	January 2025	September 2026	118,000	53,000	20,165	108,086	28,573	156,824	33.3
2.	B	Customer Group A	Demolition and hoarding works	Residential and commercial	February 2025	June 2026	12,000	8,396	2	14,367	6,027	20,396	9.8
3.	C	Customer Group B	Demolition and hoarding works	Residential	September 2024	July 2026	16,637	—	12,351	4,281	5	16,637	14.6
4.	D	Customer Group C	Demolition and hoarding works	Residential	January 2024	October 2024	8,835	541	9,376	—	—	9,376	12.5
5.	E	Customer Group D	Improvement works	Residential and commercial	November 2025	June 2026	8,548	—	—	2,725	5,823	8,548	43.3
6.	F	Customer E	Repair works	Others	July 2024	January 2026	8,456	—	2,489	5,967	—	8,456	31.4
7.	G	Customer Group D	Demolition and hoarding works	Residential and commercial	November 2022	October 2024	41,760	36,210	5,746	—	—	5,746	9.7
8.	H	Customer Group F	Demolition and hoarding works	Residential	December 2023	July 2024	6,770	578	5,469	—	—	5,469	7.9

Project number	Customer[Note 2]	Type(s) of works	Type(s) of building/ structure	Commencement date[Note 3]	Completion Date/ expected completion date[Note 4]	Breakdown of revenue recognised during the Track Record Period by type		Breakdown of revenue recognised during the Track Record Period by year/period			Aggregate revenue recognised during the Track Record Period[Note 5]	Cumulative gross profit margin for the Track Record Period[Note 6]
						Revenue from contract sum	Proceeds from disposal of salvage material (if applicable)	FY2025	FY2026	3M2026		
						(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*	*%*
9.	I	Customer Group G	Demolition and hoarding works	Residential and commercial	June 2024	June 2026	4,467	—	3,140	1,316	11	4,467	12.4
10.	J	Customer Group H	Demolition and hoarding works	Residential	June 2024	January 2025	4,619	—	4,619	—	—	4,619	49.8
						Total:	**179,879**	**60,659**	**63,357**	**136,742**	**40,439**	**240,538**	

Notes:

1. Each of the projects completed by our Group during the Track Record Period was a private sector project, in which our Group acted as a main contractor.

2. Save for Customer E, Customer Group G and Customer Group H, each of the customers was one of our five largest customers during the Track Record Period. Please refer to the paragraph headed "Customers — Major customers" in this section below for details of our customers.

3. The commencement date refers to the date of commencement of works on site, which is generally within seven days of the written notification of the customer or its architects as specified in the letter of award or letter of acceptance or otherwise as agreed by the parties.

4. The actual completion date for a particular project refers to the date of completion of our works in such project which is typically stated in the practical completion certificate or other record provided by our customers. The expected completion date for a particular project refers to the expected date of substantial completion of our works in such project based on (i) the contractual agreement with our customers; and/or (ii) our management's best estimation taking into account the actual work progress and current market conditions.

5. Depending on the nature of the project, terms of the contract and scope of work to be provided in a particular project, the aggregate revenue derived from the project may include (i) revenue from contract sum received from the project owner; and (ii) (for demolition projects only) proceeds received from salvage material buyers for our disposal of salvage materials removed from the demolition sites.

6. Cumulative gross profit margin is calculated as gross profit derived from the project divided by revenue recognised from the project for the Track Record Period.

Backlog

The following table sets forth the movement in the number and value of projects which were completed or ongoing during the Track Record Period and up to the Latest Practicable Date:

	FY2025		FY2026		3M2026		From 1 July 2026 to the Latest Practicable Date	
	Number of projects	Contract sum *(HK$'000)*	Number of projects	Contract sum *(HK$'000)*	Number of projects	Contract sum *(HK$'000)*	Number of projects	Contract sum *(HK$'000)*
Number of projects/value of backlog as at the beginning of the relevant year/period *(Notes 1 and 2)*	7	28,272	8	158,036	10	71,377	7	68,326
Add: Number of new project(s)/ contract sum of new projects and/or variation orders awarded during the relevant year/period *(Notes 3 and 4)*	10	207,044	5	50,141	2	40,139	2	548
Less: Number of projects/total revenue completed or recognised during the relevant year/period *(Notes 5 and 6)*	(9)	(77,280)	(3)	(136,800)	(5)	(43,190)	—	(7,879)
Number of projects/value of backlog as at the end of the year/period *(Note 7)*	**8**	**158,036**	**10**	**71,377**	**7**	**68,326**	**9**	**60,995**

Notes:

1. Number of projects as at the beginning of the relevant year/period means the number of awarded projects which had remaining balance of contract sum yet to be received as of the beginning of the relevant year/period indicated.

2. Value of backlog represents the total outstanding awarded contract sum as stated in contract(s) between us and our customer, including any supplemental contracts, variation orders or other agreed adjustments made or entered into on or prior to the beginning of the year/period indicated, but may not include additions and/or modifications as a result of any subsequent supplemental contracts, variation orders and/or other adjustments. It also takes into account any estimated amount of proceeds from the disposal of salvage materials.

3. Number of new projects awarded during the relevant year/period means the number of new projects awarded to our Group during the relevant year/period indicated, including those projects tendered in the preceding year which were then awarded to us in the relevant year/period.

4. Contract sum of new projects and/or variation orders awarded refers to the awarded contract sum as stated in contract(s) and/or variation order(s) granted or entered into between us and our customer during the year/period indicated, but may not include additions and/or modifications as a result of any subsequent supplemental contracts, variation orders and/or other adjustments.

5. Number of completed projects means the number of projects for which the entire contract sum, including any supplemental contracts, variation orders or other agreed adjustments, had been settled by the customers in the relevant year/period upon the completion of works.

6. Total revenue recognised means the total amount of revenue recognised from the contract sums for the projects during the relevant year/period indicated, including any amount of revenue recognised with respect to the disposal of salvage materials during the same year/period.

7. Value of backlog means the portion of the total estimated revenue from contract sum yet to be recognised with respect to our projects which had not been completed as at the end of the relevant year/period indicated, including any estimated amount of proceeds which may be derived from the disposal of salvage materials.

CUSTOMERS

Profile of our Group's customers

During the Track Record Period, our customers were mainly (i) private sector project owners which primarily included private property developers and (ii) salvage material buyers, which primarily included companies engaged in the recycling and trading of salvage materials.

For FY2025, FY2026 and 3M2026, the number of customers with revenue contribution to our Group was 17, ten and nine, respectively. During the Track Record Period, our Group's major customers were located in Hong Kong. All of our Group's fees and other charges are denominated in HK dollars.

Major customers

For FY2025, FY2026 and 3M2026: (i) the aggregate revenue attributable to our Group's five largest customers amounted to approximately HK$49.9 million, HK$111.7 million and HK$34.5 million, representing approximately 64.6%, 81.7% and 79.9% of our Group's total revenue, respectively; and (ii) the aggregate revenue attributable to our Group's largest customer amounted to approximately HK$15.6 million, HK$83.0 million and HK$21.7 million, representing approximately 20.1%, 60.7% and 50.2% of our Group's total revenue, respectively.

The following sets out a breakdown of our Group's revenue attributable to our Group's five largest customers during the Track Record Period:

FY2025

	Customer	Principal business	Principal place of business	Goods/services purchased from our Group	Typical credit terms and payment method	Year of commencement of business relationship *(Note 1)*	Approximate amount of revenue recognised *(HK$'000)*	Approximate % of our Group's total revenue for the year %
1.	Customer Group A	Property development *(Note 2)*	Hong Kong	Demolition and hoarding works	30 days; cheque	2004	15,554	20.1
2.	Customer Group B	Property development *(Note 3)*	Hong Kong	Demolition and hoarding works	30 days; cheque	2019	12,351	16.0
3.	Customer Group C	Property development *(Note 4)*	Hong Kong	Demolition and hoarding works	30 days; cheque	2011	9,162	11.9
4.	Customer Group D	Property development *(Note 5)*	Hong Kong	Demolition and hoarding works, and site upkeeping works	30 days; cheque	2014	7,839	10.1
5.	Customer Group F	Property development *(Note 6)*	Hong Kong	Demolition and hoarding works	30 days; cheque	2021	5,021	6.5
					Five largest customers in aggregate		**49,927**	**64.6**
					All other customers		27,353	35.4
					Total		**77,280**	**100.0**

FY2026

	Customer	Principal business	Principal place of business	Goods/services purchased from our Group	Typical credit terms and payment method	Year of commencement of business relationship[Note 1]	Approximate amount of revenue recognised *(HK$'000)*	Approximate % of our Group's total revenue for the year *%*
1.	Customer Group A	Property development[Note 2]	Hong Kong	Demolition and hoarding works	30 days; cheque	2004	82,982	60.7
2.	Customer I	Salvage materials recycling and trading[Note 7]	Hong Kong	Salvage materials	30 days; cheque	2012	8,462	6.2
3.	Customer J	Salvage materials recycling and trading[Note 8]	Hong Kong	Salvage materials	30 days; cheque	2018	7,282	5.3
4.	Customer K	Salvage materials recycling and trading[Note 9]	Hong Kong	Salvage materials	30 days; cheque	2026	6,786	5.0
5.	Customer L	Salvage materials recycling and trading[Note 10]	Hong Kong	Salvage materials	30 days; cheque	2023	6,206	4.5
						Five largest customers in aggregate	**111,718**	**81.7**
						All other customers	25,082	18.3
						Total	**136,800**	**100.0**

3M2026

	Customer	Principal business	Principal place of business	Goods/services purchased from our Group	Typical credit terms and payment method	Year of commencement of business relationship[Note 1]	Approximate amount of revenue recognised *(HK$'000)*	Approximate % of our Group's total revenue for the period *%*
1.	Customer Group A	Property development[Note 2]	Hong Kong	Demolition and hoarding works	30 days; cheque	2004	21,683	50.2
2.	Customer Group D	Property development[Note 11]	Hong Kong	Improvement works	30 days; cheque	2014	5,823	13.5
3.	Customer I	Salvage materials recycling and trading[Note 7]	Hong Kong	Salvage materials	30 days; cheque	2012	2,632	6.1
4.	Customer J	Salvage materials recycling and trading[Note 9]	Hong Kong	Salvage materials	30 days; cheque	2018	2,275	5.2
5.	Customer K	Salvage materials recycling and trading[Note 10]	Hong Kong	Salvage materials	30 days; cheque	2026	2,111	4.9
						Five largest customers in aggregate	**34,524**	**79.9**
						All other customers	8,666	20.1
						Total	**43,190**	**100.0**

Notes:

1. According to the Frost & Sullivan Report, it is common market practice in Hong Kong for property developers to establish separate special purpose vehicles or project companies for individual property development projects. We may be engaged by or on behalf of different special purpose vehicles or project companies under the same holding company or within the same corporate group across multiple projects over time.

2. Customer Group A is a property developer established in Hong Kong in 1993 with business spanning residential, commercial and retail projects in Hong Kong. One of its current major projects is the redevelopment of a former major multi-use complex in Hong Kong.

3. Customer Group B is a major property developer founded in Hong Kong in 1960. It operates primarily through three main business segments, including property leasing, property sales, and hotel operations in Hong Kong and the PRC. Its parent company and one of its subsidiaries are listed on the Main Board of the Stock Exchange.

4. Customer Group C is a conglomerate founded in Hong Kong in 1987 with business in property development and investment, wet market management, and the traditional Chinese medicine and pharmaceutical sectors. Its parent company and three of its subsidiaries are listed on the Main Board of the Stock Exchange.

5. Customer Group D is a major property developer with business primarily in Hong Kong and the PRC. Its parent company was formerly listed on the Main Board of the Stock Exchange and subsequently privatised in 2020.

6. Customer Group F is a Hong Kong-based property developer founded in 2009 focusing on the development of residential and commercial boutique properties.

7. Customer I is a company incorporated in Hong Kong in 2006 and is principally engaged in recycling and trading of salvage materials, and exporting such salvage materials to other Southeast Asian countries.

8. Customer J is a company incorporated in Hong Kong in 1984 and is principally engaged in recycling and trading of scrap metals.

9. Customer K is a company incorporated in Hong Kong in 1998. It is principally engaged in recycling and trading of scrap metals, and exporting such scrap metals to other Southeast Asian countries such as Vietnam and Indonesia.

10. Customer L is a company incorporated in Hong Kong in 2005. It is principally engaged in recycling and trading of scrap metals, and exporting such scrap metals to other Southeast Asian countries.

During the Track Record Period, our Group generally offered a credit period of zero to 30 days to our five largest customers.

Relationship with our customers

We have maintained stable business relationship with our major customers. Among our five largest customers, we have maintained business relationship with a majority of them for over five years, and the longest of which is over 20 years.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, save as disclosed below: (i) there were no other material claims for compensation or defaults on payment made or imposed by any of our customers, or any other material disputes between our Group and any of our customers, whether in relation to the quality of our works and services (or, as the case may be, salvage materials sold by us), timeliness of delivery, payment terms, or otherwise; (ii) we did not experience any default of payments or early termination of projects; and (iii) we did not recognise any other material bad debts, impairment losses or make material provision in respect of our trade receivables or retention receivables.

Nature of project	Commencement date	Completion date	Particulars of incident	Status as at the Latest Practicable Date
Demolition and hoarding works	June 2022	August 2023	— Delay in completion due to, among other things, administrative procedures for compliance with regulatory approval and filing procedures, as to which application for extension of time was made by us to the customer — Defect in part of the concrete filling mixed with construction debris, which was rectified by us upon notification by the customer	Practical completion certificated was issued in August 2023, but settlement of final account and release of retention monies and amount withhold for surety bond remained pending. Full provision has been made by our Group with respect to the said outstanding account receivables.

Based on the aging profile, credit history, and regular assessment on the recoverability of account receivables, our Directors considered that no additional provision for impairment is necessarily to be made during the Track Record Period and up to the Latest Practicable Date.

To the best knowledge of our Directors, having made all reasonable enquiries: (i) each of our Group's five largest customers during the Track Record Period is an Independent Third Party; and (ii) none of our Directors, their respective close associates, or any Shareholders who owned more than 5% of the share capital of our Company as at the Latest Practicable Date had any direct or indirect interest in any of our Group's five largest customers during the Track Record Period.

Customer concentration

For FY2025, FY2026 and 3M2026: (i) approximately 64.6%, 81.7% and 79.9% of our Group's total revenue was attributable to our Group's five largest customers, respectively; and (ii) approximately 20.1%, 60.7% and 50.2% of our Group's total revenue was attributable to our largest customer, respectively.

Our Directors consider that it is of strategic importance for main contractors of demolition works and other construction works to maintain a stable relationship with a few reputable property developers. According to the Frost & Sullivan Report, it is common for main contractors in the construction industry to rely on a few customers and such customer concentration is not uncommon for main contractors of demolition and other construction works in Hong Kong.

In addition, our Group has been actively tendering for projects from various customers and potential customers. In the event that any of our Group's major customers substantially reduces the number or value of contracts awarded to our Group or terminates its business relationship with our Group, our Directors consider that our Group would have additional capacity to handle other potential projects from other customers in view of our Group's competitive strenths and business strategies as detailed in the paragraphs headed "Competitive strengths" and "Business strategies" in this section above.

Principal terms of engagement with our customers

Terms of engagement with project owners

Our customers generally engage us on a project basis and we did not enter into any long-term agreements with our customers during the Track Record Period. The following summarises the principal terms of engagement with the project owners:

Nature and scope of works	:	The nature of work specifies the types of site works to be carried out and the scope of work specifies the areas/facilities that require such site works.
Contract period	:	The contract period specifies the period within which the project is to be completed, including the tentative commencement date (which is typically within seven days after written notification from the customer or its architects) and the tentative completion date.
Payment terms	:	The total contract sum awarded is clearly stated which is generally a fixed amount and may be subject to adjustment. Based on the amount of work completed, our Group will generally make progress payment applications to the customer on a monthly or other regular basis, setting out the amount of work done and the corresponding value of such work done. The application is subject to examination by the customer or the consultant appointed by the customer and the issuing of a certificate based on such examination approving the amount of works eligible for payment under the application. The examination for each application generally takes around 30 days. Our Group will then proceed to bill the customer with the support of the certificate. Alternatively, in some cases, payment of the contract sum is made by the customer in instalments based on agreed timeline and progress milestones as specified in the contract for the project.
Retention monies	:	A certain percentage of each fee payment made to our Group, usually at the rate of approximately 10% of the amount of such payment but subject to a maximum limit of 5% of the total contract sum, may be withheld by some customers as retention monies. Generally, the retention monies will be released by the customer upon the completion of the works or the issue of practical completion certificate or, in cases where there is a specified defects liability period, 50% of the retention monies will usually be released upon completion of the works and the issue of practical completion certificate, while the remaining 50% will be released upon the settlement of the final account between the customer and our Group at the end of the defects liability period.
Variation orders	:	Variation orders may from time to time be made by our customers and agreed by us. Such orders seek to modify the specifications, amount and/or scope of works stipulated in the original contracts, which may also result in corresponding adjustments to the original agreed contract sum.

Defects liability period (if applicable)	:	A defect liability period generally ranges from six months to 12 months from the date of issue of the practical completion certificate. During the defect liability period, our Group is responsible for rectifying any defective works done by our Group at its own expense.
Insurance	:	In general, it is the obligation of the main contractor to effect proper insurance policies against all construction risks, damages, claims and compensation in respect of the persons who are employed to work at the construction sites. Such insurances are usually taken out by our Group as a main contractor. Please refer to the paragraph headed "Insurance" in this section below for further details.
Surety bonds	:	Depending on the customers' requirements, a surety bond of up to 10% of the contract sum may be required by our customers to secure our Group's due performance of the contract. Such surety bond will be released upon the completion of the works or, as the case maybe, expiry of the defects liability period. In some cases, pursuant to the arrangements agreed between the customer and our Group, the sum of the surety bond will be withheld by the customer and be deducted from the progress payments due from the customer, to be released upon the settlement of the final account with the customer.
Liquidated damages (if applicable)	:	Certain contracts include a liquidated damages clause that if our Group fails to complete the work set out in the contracts within the allowed timeframe, our Group shall compensate the customer for liquidated damages at a fixed rate on a daily basis as set out in the contract until the works are substantially completed.
Default and termination	:	We may be held in default of the contract if we, among other things, abandon the project, without reasonable cause wholly suspend the carrying out of the works before completion, or fail to proceed regularly and diligently with the works.

Terms of disposal of salvage materials

According to the Frost & Sullivan Report, it is not a common practice for salvage material buyers to enter into any written sale and purchase agreement or supply contract with the salvage material provider to fix the quantity and price of the salvage materials in advance. During the Track Record Period, we did not enter into formal written contracts with our salvage material buyers. We normally communicate with our salvage material buyers by telephone, email or other means of communication to fix the unit prices of the relevant salvage materials, and we sell the salvage materials to our salvage material buyers at the pre-agreed unit prices. The prices for each type of salvage materials vary depending on, among other things: (i) the types and nature of the materials; (ii) the prevailing market price; and (iii) the supply and demand of the materials in Hong Kong or other countries and regions.

Upon confirmation of the order, the salvage materials are typically delivered by our Group to the buyer. Payment for the salvage materials at the agreed unit price measured by weight will be paid by the salvage material buyer on the same day at the location of delivery. During the Track Record Period, payment was typically settled by the salvage material buyers in cash or by cheque. For cash payments, we maintained a cash book register to record the movement of our incoming and outgoing cash proceeds and expenditures, and our accounting staff performed reconciliations on a monthly basis to ensure consistency of our cash book register and ledgers. During the Track Record Period, all our salvage material buyers were located in Hong Kong, and we did not engage in the export of the salvage materials to any place outside Hong Kong.

Credit policy

In general, our Group grants a credit period (being the period from the date of invoice to payment due date) of zero to 30 days according to contract terms to our customers. For customers who are salvage material buyers, the amounts payable by the customers for the purchase of the salvage materials are settled on the same day as their delivery. Long-overdue payments, which generally refer to trade receivables that remain outstanding for more than 180 days after the date of invoice, are monitored continuously and evaluated on a case-by-case basis with respect to the appropriate follow-up actions to be taken, taking into consideration the customer's normal payment practice and payment history, our Group's relationship with the customer and the then general economic environment.

Trade receivables

We face risk in relation to the collectability of our trade receivables. As at 31 March 2025, 31 March 2026 and 30 June 2026, we recorded trade receivables of approximately HK$8.4 million, HK$6.1 million and HK$1.4 million respectively. The corresponding turnover days trade receivables and contract assets for FY2025, FY2026 and 3M2026 were approximately 29.2 days, 19.4 days and 7.9 days, respectively. For further details of our trade receivables turnover days, please refer to the paragraph headed "Financial Information — Trade receivables" of this document.

To mitigate our risk in relation to the collectability of our trade receivables, we have implemented the following risk control measures:

(i) credit assessment procedures shall be performed on our customers, including checking our internal record regarding their payment history and evaluating the credit terms and credit period offered to them;

(ii) monitoring procedures shall be performed regularly to ensure that follow-up actions, such as issuing payment reminders, actively liaising with the customers and appropriate legal actions, are taken to recover overdue debts; and

(iii) recoverable amount of each receivable balance shall be reviewed at the end of each reporting period to ensure adequate impairment losses are provided for irrecoverable amounts.

For details of our credit risk, please refer to the section headed "Risk factors — Risks relating to our business — We are subject to delays or defaults in collecting our trade receivables which may materially and adversely affect our credit risk and financial position." in this document.

Sales and marketing

During the Track Record Period, we secured new business primarily through tender or quotation invitations. Our Directors believe that our experienced management team, the accumulated expertise of our Group in the construction industry and our Group's consistent delivery of high-quality services on both current and past projects have been instrumental in our ability to retain existing customers. Given our proven track record and well-established relationships with these clients, our Directors consider that we can effectively leverage our customer base, reputation, and years of experience in building demolition and other construction works, thereby reducing our reliance on extensive marketing and promotional efforts. Our executive Directors and senior management are primarily responsible for maintaining customer relationships, as well as monitoring market trends and identifying new business opportunities.

Seasonality

Our Directors believe that the industry in which we operate does not exhibit any significant seasonality, except for the possible impact of adverse weather conditions such typhoons where our Group may need to temporarily suspend its projects to avoid unsafe working environments and the Chinese New Year holidays as many construction workers are on leave around such holidays.

SUPPLIERS AND SUBCONTRACTORS

Profile of our Group's suppliers and subcontractors

During the Track Record Period: (a) our suppliers mainly included (i) machinery and equipment leasing service providers, (ii) vendors of construction materials and (iii) providers of insurance and related brokerage services; (b) our subcontractors mainly included (i) subcontractors of construction works and (ii) transportation service providers for the transportation of machinery and equipment and debris removed by us from the construction sites. During the Track Record Period, we also incurred expenses in respect of waste disposal charges payable to the Environmental Protection Department for the disposal of construction waste and/or other waste in accordance with the requirements of the Waste Disposal Ordinance and its subsidiary legislations. For details, please refer to the paragraph headed "Regulatory Overview — Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong)" in this document. During the Track Record Period, all of our Group's major suppliers and subcontractors were located in Hong Kong.

We generally engage the relevant suppliers and subcontractors on project-by-project basis and therefore do not enter into any long-term agreements with our suppliers and subcontractors. As at the Latest Practicable Date, there were approximately 60 suppliers and subcontractors on our list of approved suppliers and subcontractors, which is reviewed and updated from time to time and on an annual basis. The admission of suppliers and subcontractors into our approved list is subject to assessment of various factors including but not limited to track record, pricing, service quality, market reputation, and timeliness of delivery.

During the Track Record Period, we did not experience any material difficulties or delays in performing our projects caused by material shortage or delay in the supply of goods and services that we required. Our Directors consider that the possibility of a material shortage or delay is low given the abundance of suppliers of the same kind in the market.

Subcontracting of construction works

As the entire process of a demolition project or other construction works involves different work procedures, our Group as a main contractor usually subcontract certain works to our subcontractors with supervision and management by our project management team to ensure their conformity to customers' requirements and that the projects are completed on time and within our budget plan. Our Directors consider that subject to the availability of our resources, capacity, complexity of the projects, cost effectiveness and customers' requirements, we may subcontract various parts of our works, which may include, without limitation, the erection of propping or other temporary support, hoarding, scaffolding, the demolition of any lifts or escalators and the investigation and disposal of hazardous waste, to our subcontractors. In some cases, we may also subcontract part or whole of the main demolition works or other construction works. We are accountable to our customers for the works performed in a project, including those carried out by our subcontractors. Unless otherwise specified in the contracts with our customers, our customers generally consent to our use of subcontractors for a project and do not limit which subcontractors shall be engaged by us.

Reasons for subcontracting arrangements

We have our own site workers who are capable of undertaking different works at the construction sites to minimise our reliance on external parties. However, as the entire process of a demolition project or other construction works involves different types of works, it may not be cost effective for us to directly undertake all types of works involved. In addition, some of the works such as the demolition of lifts and escalators and the investigation and disposal of hazardous waste must be carried out by contractors or service providers possessing the requisite licences, registrations or qualifications under the applicable laws and regulations. As such, we may engage subcontractors for better allocation of our human resources and cost efficiency, depending on the project requirements, the availability of our resources and the cost of performing the works with our own resources.

Joint venture arrangement for project no. A

During the Track Record Period, Riseship Construction, our principal operating subsidiary, and Lek Hin Demolition Company Limited ("**Lek Hin**"), a company principally engaged in the business of providing building demolition works as a subcontractor in Hong Kong, established Power Construction as a joint venture company in January 2025, for the purpose of facilitating our Group's performance and execution of project no. A, a hoarding and demolition works project which was awarded to our Group as a main contractor in the same month. As at the date of its incorporation and the Latest Practicable Date, Power Construction was owned as to 60% by Riseship Construction and as to 40% by Lek Hin. Accordingly, since its date of incorporation and up to the Latest Practicable Date, Power Construction was at all times a member of our Group.

Pursuant to the joint venture agreement entered into between Riseship Construction and Lek Hin, Riseship Construction as main contractor subcontracted to Power Construction the works undertaken by our Group for project no. A, under which Power Construction assisted in, among other things, arranging third party subcontractors to perform the works and procuring from third party suppliers the construction materials, consumables and other supplies required for the performance of the works. According to the Frost & Sullivan Report, it is a well-established practice in the construction industry in Hong Kong for main contractors to establish joint ventures with subcontractors for the purpose of managing large-scale projects. Our Directors considered that such arrangements could enable our Group to leverage the experience and network of Lek Hin in the building demolition sector in Hong Kong to arrange the requisite subcontractor services and manpower of the scale required of project no. A, and were thus in the interest of our Group and our Shareholders as a whole.

While Power Construction was initially established for the purpose of project no. A, should our Directors consider that any future projects or business opportunities would require the participation of Lek Hin through Power Construction or other joint venture entity due to project requirements (such as project scale, complexity and demand for labour) or that such collaboration with Lek Hin would be in the commercial interest of our Group and our Shareholders as a whole, similar transactions or arrangements may be further entered into between our Group and Lek Hin, subject to our internal controls and procedures and compliance with all relevant requirements under the GEM Listing Rules and applicable laws and regulations.

To the best knowledge of our Directors, having made all reasonable enquiries, save for the establishment of Power Construction as a joint venture company and the collaboration between our Group and Lek Hin in relation to project no. A as disclosed above, each of Lek Hin and its ultimate beneficial owner(s) is independent of and not connected with our Company, any other member of our Group or any of our Directors, chief executives or substantial shareholders and their respective close associates (as defined in the GEM Listing Rules).

Rental arrangements for machinery and equipment

During the Track Record Period, we generally leased the machinery and equipment required to perform our demolition works and other construction works on a project-by-project basis depending on the requirements of the relevant projects. We did not enter into any long-term rental agreements or financial leases with any machinery and equipment leasing service providers.

The rental prices of machinery and equipment are determined by reference to quotations of leasing service providers as agreed between the suppliers and us on an order-by-order basis. In preparing our tender or quotation submissions to the project owners, we will take into account quotations received from machinery and equipment leasing service providers.

The following table sets out a breakdown of our Group's total cost of services by type for the years/period indicated:

	FY2025	**FY2026**	**3M2026**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
Suppliers			
— machinery and equipment leasing service providers	2,163	6,403	1,761
— vendors of construction materials	3,066	6,657	2,194
— providers of insurance and related brokerage services	2,089	2,736	226
Subcontractors			
— construction works subcontractors	38,808	39,061	11,369
— transportation service providers	1,259	8,049	3,457
Others	10,854	34,493	9,352
Total:	**58,239**	**97,399**	**28,359**

Major suppliers and subcontractors

For FY2025, FY2026 and 3M2026: (i) the total purchases attributable to our Group's five largest suppliers and subcontractors amounted to approximately HK$36.3 million, HK$42.6 million and HK$12.4 million, representing approximately 62.3%, 43.7% and 43.8% of our Group's total cost of services, respectively; and (ii) the total contract purchases attributable to our Group's largest supplier or subcontractor amounted to approximately HK$17.4 million, HK$18.2 million and HK$3.2 million, representing approximately 29.9%, 18.7% and 11.4% of our Group's total cost of services, respectively. Our Directors consider that our Group was not dependent on any single supplier or subcontractor during the Track Record Period.

The following sets out a breakdown of our Group's total cost of services attributable to our Group's five largest suppliers and subcontractors during the Track Record Period:

FY2025

	Supplier/subcontractor	Principal business	Principal place of business	Goods/services purchased by our Group	Typical credit terms and payment method	Year of commencement of business relationship	Approximate amount of purchases *(HK$'000)*	Approximate % of the Group's total cost of services for the year %
1.	UNI Real Estate	Provision of construction works	Hong Kong	Construction works	90 days; cheque	2003	17,400	29.9
2.	Supplier A	Provision of construction works and metal works *(Note 1)*	Hong Kong	Construction works, machinery rental services and construction tools	90 days; cheque	2015	13,933	23.9
3.	Supplier B	Provision of scaffolding services for construction works *(Note 2)*	Hong Kong	Scaffolding services	90 days; cheque	2025	1,800	3.1
4.	Supplier C	Provision of electrical engineering services *(Note 3)*	Hong Kong	Electrical engineering services	90 days; cheque	2016	1,620	2.8
5.	Supplier D	Provision of insurance brokerage services *(Note 4)*	Hong Kong	Construction insurance brokerage services	90 days; cheque	2017	1,527	2.6
					Five largest suppliers and subcontractors in aggregate		**36,280**	**62.3**
					All other suppliers and subcontractors		21,959	37.7
					Total		**58,239**	**100.0**

FY2026

	Supplier/subcontractor	Principal business	Principal place of business	Goods/services purchased by our Group	Typical credit terms and payment method	Year of commencement of business relationship	Approximate amount of purchases *(HK$'000)*	Approximate % of the Group's total cost of services for the year %
1.	UNI Real Estate	Provision of construction works	Hong Kong	Construction works	90 days; cheque	2003	18,182	18.7
2.	Environmental Protection Department	Government department	Hong Kong	Waste disposal	90 days; cheque	N/A	6,726	6.9
3.	Supplier A	Provision of construction works and metal works *(Note 1)*	Hong Kong	Construction works, machinery rental services and construction materials	90 days; cheque	2015	6,525	6.7
4.	Supplier E	Provision of transportation services *(Note 5)*	Hong Kong	Transportation services	90 days; cheque	2021	5,597	5.7
5.	Supplier B	Provision of scaffolding services for construction works *(Note 2)*	Hong Kong	Scaffolding services	90 days; cheque	2025	5,537	5.7
						Five largest suppliers and subcontractors in aggregate	**42,567**	**43.7**
						All other suppliers and subcontractors	54,832	56.3
						Total	**97,399**	**100.0**

3M2026

	Supplier/subcontractor	Principal business	Principal place of business	Goods/services purchased by our Group	Typical credit terms and payment method	Year of commencement of business relationship	Approximate amount of purchases *(HK$'000)*	Approximate % of the Group's total cost of services for the period *%*
1.	Supplier F	Provision of construction works*(Note 6)*	Hong Kong	Construction works	90 days; cheque	2025	3,235	11.4
2.	Supplier A	Provision of construction works and metal works*(Note 1)*	Hong Kong	Construction works, machinery rental services and construction materials	90 days; cheque	2015	3,221	11.4
3.	Supplier G	Provision of transportation services*(Note 7)*	Hong Kong	Transportation services	90 days; cheque	2025	2,266	8.0
4.	Supplier H	Provision of building demolition works and machinery rental services*(Note 8)*	Hong Kong	Building demolition works and machinery rental services	90 days; cheque	2022	2,029	7.1
5.	Supplier I	Provision of electrical engineering services and construction works*(Note 9)*	Hong Kong	Barrier installation, electrical and mechanical maintenance works	90 days; cheque	2025	1,670	5.9
					Five largest suppliers and subcontractors in aggregate		**12,421**	**43.8**
					All other suppliers and subcontractors		15,938	56.2
					Total		**28,359**	**100.0**

Notes:

1. Supplier A is a company incorporated in Hong Kong in 2015 and is principally engaged in the provision of construction and metal works. It also provides machinery rental services and supplies metal construction materials.

2. Supplier B is a sole proprietorship commenced in Hong Kong in 2005 and is principally engaged in the provision of scaffolding services for construction works.

3. Supplier C is a sole proprietorship commenced in Hong Kong in 2001 and is principally engaged in the provision of electrical engineering services, assisting construction and elevator companies with project-based repair, maintenance, dismantling and other engineering works.

4. Supplier D is a Hong Kong-licenced insurance broker company incorporated in 1993 and is principally engaged in the provision of construction insurance brokerage services.

5. Supplier E is a company incorporated in Hong Kong in 2021 and is principally engaged in the provision of transportation services of scrap metals in Hong Kong.

6. Supplier F is a sole proprietorship commenced in Hong Kong in 2023 and is principally engaged in the provision of building demolition works in Hong Kong, such as the provision of shoring materials and installation of shoring.

7. Supplier G is a company incorporated in Hong Kong in 2017 and is principally engaged in the provision of transportation services of construction waste in Hong Kong, such as concrete and soil wastes.

8. Supplier H is a company incorporated in Hong Kong in 2010 and is principally engaged in the provision of building demolition works and machinery rental services. In connection with its machinery rental services, Supplier H also provides personnel to operate the relevant machinery.

9. Supplier I is a company incorporated in Hong Kong in 1990. It is principally engaged in the provision of electrical engineering services and construction works in Hong Kong.

Our Group's five largest suppliers and subcontractors during the Track Record Period generally granted our Group a credit period of zero to 90 days.

Relationship with our suppliers and subcontractors

We normally engage suppliers and subcontractors (other than any suppliers and subcontractors nominated by our customers) on our approved list, which is reviewed by us from time to time and on an annual basis. In assessing the performance of our suppliers and subcontractors, we will principally consider, among other things, the quality of goods or services provided and the timeliness of delivery. During the Track Record Period, we did not have any material disputes or claims with our suppliers and subcontractors, whether in relation to the quality of goods and/or services, timeliness of delivery, payment terms, or otherwise.

In FY2025 and FY2026, UNI Real Estate was our largest subcontractor, accounting for approximately 29.9% and 18.7% of our Group's total cost of services during those years, respectively. As at the Latest Practicable Date, UNI Real Estate was owned as to 40%, 30% and 30% by Mr. Lo Kam Kenny, Mr. Lo Cheuk Pui and Mr. Lo Siu Kai, respectively, such that UNI Real Estate would be a connected person of our Company upon the **[REDACTED]**. For details of the relationship between our Group and UNI Real Estate, please refer to the section headed "Relationship with Our Controlling Shareholders" in this document.

Save as disclosed above, to the best knowledge of our Directors, having made all reasonable enquiries: (i) each of our Group's five largest suppliers and subcontractors during the Track Record Period is an Independent Third Party; and (ii) none of our Directors, their respective close associates, or any Shareholders who owned more than 5% of the share capital of our Company as at the Latest Practicable Date had any direct or indirect interest in any of our Group's five largest suppliers and subcontractors during the Track Record Period.

Principal terms of engagement with our subcontractors of construction works

During the Track Record Period, we did not enter into any long-term agreement or commit to any minimum purchase amount with our subcontractors of construction works.

The following summarises the subcontracting arrangements with our subcontractors of construction works during the Track Record Period:

Nature and scope of works	:	The nature of work specifies the types of site works to be carried out and the scope of work specifies the structures or areas that require such site works.
Contract period	:	The duration of the subcontracting agreement varies depending on the nature and extent of the works and is in line with the duration of the main contract between us and the project owner.
Obligations of the subcontractor	:	The subcontractor is generally required to comply with the relevant terms and perform its works in accordance with the specifications under the main contract and any approved work plans.
Subcontracting fee and payment terms	:	The subcontracting fee to be received by the subcontractor is usually represented in a lump sum. In general, we determine the amount of subcontracting fee based on factors including (i) the amount of fees to be received by us from the project owner in respect of the portion of works being subcontracted; (ii) the amount of labour resources required from the subcontractor; (iii) the nature of works to be performed by the subcontractor; (iv) the rental cost of machinery provided by the subcontractor; and (v) the prevailing market conditions.
Retention monies	:	We may retain a certain percentage of each interim payment made to the subcontractors as retention monies. Such percentage would generally be up to 10% of each interim payment, subject to a ceiling of up to 5% of the total subcontracting fee.
Insurance	:	In general, it is the obligation of our Group as the main contractor to effect proper insurance policies against all construction risks, damages, claims and compensation in respect of the persons who are employed to work at the construction sites. Please refer to the paragraph headed "Insurance" in this section below for further details.
Safety	:	The subcontractor shall comply with the provisions of statutory safety regulations relating to the carrying out of the subcontracting works. The subcontractor shall also indemnify our Group against any expenses, penalties and other losses sustained or incurred as a consequence of the subcontractor's non-compliance with the relevant laws and regulations regarding site safety.

Defects liability period	:	Our Group may require a defects liability period of six to 12 months from our subcontractors, during which its subcontractors are responsible for rectifying all work defects identified by our Group or the project owners. We normally determine the duration of the defects liability period required of the subcontractor taking into account our own defects liability period specified in the main contract.
Indemnity	:	The subcontractor is required to indemnify our Group against any loss, expense or claim arising from the failure to comply with subcontracting agreement by the subcontractor and/or its employees. We are entitled to hold our subcontractors liable for any loss or damage suffered or incurred by our Group if their works are not performed in accordance with the requirements set out in the subcontracting agreement and/or the main contract.

Criteria for selection of suppliers and subcontractors

Other than any suppliers and/or subcontractors nominated by our customers, we normally engage suppliers and subcontractors on our approved lists, which are selected based on, among other things, their past experience, qualifications, quality of work, reputation in the industry, capability, price competitiveness, credit-worthiness and their safety and environmental records. We review and update our approved list of suppliers and subcontractors from time to time and on an annual basis based on our assessment of the suppliers and subcontractors, including but not limited to the quality of the services provided and timeliness of delivery. Our Directors consider that there are sufficient subcontractors in the market to whom we can delegate our works if required, and that we will be able to engage alternative subcontractors to take up part of our works where necessary.

Control over subcontractors

In order to closely monitor the performance of our subcontractors and to ensure that the subcontractors comply with the contractual requirements and the relevant laws and regulations, we require our subcontractors to follow our internal control measures in relation to quality control, safety and environmental compliance. During project implementation, our project management team regularly meet with our subcontractors and closely monitor their performance and work progress as well as their compliance with the relevant laws and regulations and our safety measures and quality standards.

Depending on the terms of the subcontracting agreement we may require our subcontractors to equip themselves with the machinery required for carrying out the works delegated to them and provide the necessary workers for operation of the machinery. Where the use of machinery is required in performing the works delegated and our subcontractors are responsible for providing such machinery, they are required to ensure that all machinery used comply with the relevant statutory safety requirements.

Registration of construction workers

Pursuant to the provisions of Part 2 of the Construction Workers Registration Ordinance (Chapter 583 of the Laws of Hong Kong), construction workers are forbidden from undertaking the construction works of the designated trade divisions unless they are registered skilled or semi-skilled worker for the relevant trade division or under instruction and supervision of the relevant skilled/semi-workers. Please refer to the paragraph headed "Regulatory Overview — Laws and regulations in relation to labour, health and safety — Construction Workers Registration Ordinance (Chapter 583 of the Laws of Hong Kong)" of this document for further details.

Our Group will require our subcontractors to employ only registered skilled and semi-skilled workers for designated trade divisions to carry out the works. Our on-site staff will inspect the registration card of each worker (including the site workers employed by the subcontractors) and shall refuse any person who is not registered as registered construction workers under the Construction Workers Registration Ordinance from entering the site.

MACHINERY AND EQUIPMENT

During the Track Record Period, the majority of the machinery and equipment deployed in demolition and other construction works undertaken by us were hired from third party machinery and equipment leasing service providers on a project-by-project basis depending on the specific requirements of the relevant projects. For further details of our machinery and equipment, please refer to the section headed "Financial Information — Property and equipment" in this document.

In view of the growing business opportunities in the industry and our business strategies, we intend to acquire new machinery in the future to enhance our working capacity and improve the efficiency, quality and safety of our operations. For details, please refer to the paragraph headed "Business strategies — Strengthen our machinery" in this section above and the section headed "Future Plans and **[REDACTED]**" in this document.

Leasing of machinery and equipment

During the Track Record Period, we rented most of the machinery and equipment used by us in performing our demolition and other construction works. Such rented machinery and equipment primarily included, without limitation, excavators, loaders and crawler cranes. For FY2025, FY2026 and 3M2026, the total rental cost of machinery and equipment incurred by our Group were approximately HK$2.2 million, HK$6.4 million and HK$1.8 million, respectively.

For details of our machinery and equipment rental arrangements, please refer to the paragraph headed "Suppliers and subcontractors — Rental arrangements for machinery and equipment" in this section above.

Safekeeping of our machinery and equipment

In general, machinery and site equipment are located and kept at the construction sites equipped with locked gates and monitored by closed circuit television security cameras. Given the number of projects on hand and our practice of leasing our machinery and equipment on a project-by-project basis, all or substantially all of our machinery and equipment are deployed to perform our works at the construction sites.

Machinery and equipment of subcontractors

Where the use of specific machinery or equipment is required in performing the works delegated to our subcontractors, our subcontractors are generally responsible for providing such machinery and appropriate technicians for operation. In general, our subcontractors are contractually required to ensure that all machinery and equipment used comply with the relevant statutory safety requirements.

PROPERTIES

As at the Latest Practicable Date, our Group did not own any property and we leased the following property which was material to our business operations:

Address	Lessor	Approximate gross floor area *(Note)*	Use of the property	Term of tenancy	Monthly rental
Office No. 1, 19/F, Marina House, 68 Hing Man Street, Shau Kei Wan, Hong Kong	An Independent Third Party	1,421 square feet	Office	14 July 2024 to 13 July 2027	HK$27,500 (exclusive of Government rent and rates, management fee, air conditioning charge and other outgoings)

Note: The approximate gross floor area represents the gross floor area set out in the relevant tenancy agreement signed with the lessor or is based on our Directors' best estimation.

Save as disclosed above, our Group did not have any other property interests as at the Latest Practicable Date.

Sale of property during Track Record Period

On 24 July 2024, our Group as vendor sold a property situated at Office No. 1, 11th Floor, Seaview Plaza, No. 283 Shau Kei Wan Road, Hong Kong to UNI Real Estate as purchaser, for a consideration of HK$3.0 million. Our Group disposed of the said property in view that we had already leased from a lessor who was an Independent Third Party the office premises situated at Office No. 1, 19/F, Marina House, 68 Hing Man Street, Shau Kei Wan, Hong Kong as our head office which was sufficient for the purpose of our business operations and we did not require a separate office space at the location of the said disposed property. Our Directors confirm that the terms and conditions of the sale and purchase of the Disposed Property were entered into between our Group and UNI Real Estate after arm's length negotiations and the consideration was determined having regard to, among other things, the then prevailing market prices of office and commercial properties in the vicinity of the property being disposed and the condition and costs of repair of the said property.

As confirmed by our Directors, and on the basis of the advice of the Hong Kong legal advisors of our Company, the above-mentioned sale of property was in compliance with all applicable laws and regulations of Hong Kong in all material respects.

Save as disclosed above, our Group did not own any other property and did not acquire or dispose of any other property during the Track Record Period.

EMPLOYEES

As at the Latest Practicable Date, our Group had a total of 17 full-time employees (including two executive Directors), all of whom were directly employed by our Group in Hong Kong. The following table sets forth a breakdown of the number of our Group's employees by functions as at the Latest Practicable Date:

	As at the Latest Practicable Date
Executive Directors and senior management	6
Project management and supervision	7
Human resources and administration	3
Accounting and finance	1
Total	**17**

Relationship with our staff

Our Directors consider that we have maintained good relationship with our employees. Save as disclosed in the paragraph headed "Legal proceedings and potential claims" in this section below, our Group has not experienced any material disputes with our employees or any work stoppage or similar incidents causing disruption to our operations due to labour disputes during the Track Record Period. In addition, we have not experienced any difficulties in recruitment and retention of experienced core staff or skilled personnel during the Track Record Period.

Recruitment policy and training

We generally recruit our employees from the open market and by referrals and make recruitment decisions by reference to factors such as the experience, qualifications and expertise required for our business operations. We assess the available human resources on a continuous basis and will determine whether additional personnel are required to cope with our business development. For details of our future plans in relation to the recruitment of additional personnel, please refer to the section headed "Future Plans and **[REDACTED]**" in this document.

In order for our new employees to familiarise with their respective job requirements and the relevant rules and regulations, they are required to attend training programmes prior to or upon commencement of employment. Our Group also provides various training to its employees from time to time, including but not limited to training on occupational health and safety and environmental issues in

relation to our work. Such training courses include our internal training as well as courses organised by external parties such as the Construction Industry Council and the Occupational Safety and Health Council.

Remuneration policy

Our Group entered into separate employment contracts with each of our employees in accordance with the applicable employment laws of Hong Kong.

Depending on the seniority and position of the employees, the remuneration packages offered to our Group's employees may include basic salary, bonuses and/or other cash allowances or subsidies. We determine the remuneration packages of our employees mainly based on the employee's qualifications, relevant experience, position and seniority. We conduct regular review on salary raises, bonuses and promotions based on the performance of each employee.

Requirements under the Immigration Ordinance

Pursuant to section 38A of the Immigration Ordinance, a construction site controller (namely, the principal or main contractor and includes a subcontractor, owner, occupier or other person who has control over or is in charge of a construction site) shall take all practicable steps to (i) prevent having illegal immigrants from being on site and (ii) prevent illegal workers who are not lawfully employable from taking employment on site. For further information, please refer to the paragraph headed "Regulatory Overview — Laws and regulations in relation to labour, health and safety — Immigration Ordinance (Chapter 115 of the Laws of Hong Kong)" in this document.

We have implemented the following measures to prevent having illegal immigrants from being on site and to prevent illegal workers from taking employment on site:

(i) for each candidate seeking employment at our Group, our human resources and administrative officers shall inspect and take copy of the original of his/her Hong Kong identity card and/or other documentary evidence showing that he/she may be lawfully employed in Hong Kong;

(ii) our subcontractors are required to hire only persons who may be lawfully employed to work on site and to prevent any illegal worker to enter the site; and

(iii) our site foremen are responsible for inspecting the personal identification document of each worker and shall refuse any person who does not possess proper personal identification document from entering the site.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date: our Group has not been (i) involved in any employment of illegal workers (whether directly or indirectly via subcontracting to the best of our Director's knowledge, information and belief) in respect of work sites over which we had or have control or of which we are or were in charge; and (ii) subject to any prosecution of any offences under the Immigration Ordinance.

INSURANCE

During the Track Record Period and as at the Latest Practicable Date, our Group had maintained insurance policies as set out in the following paragraphs. Our Directors consider that the existing insurance coverage is adequate and consistent with applicable legal and regulatory requirements and the industry norm having regard to our Group's current operations and the prevailing industry practice.

Employees' compensation insurance

Pursuant to section 40 of the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), all employers are required to take out insurance policies to cover their liabilities both under the Employees' Compensation Ordinance and at common law for injuries at work in respect of all their employees (including full-time and part-time employees). Pursuant to section 24 of the Employees' Compensation Ordinance, our Group is liable to pay compensation to any injured employees of a subcontractor who are injured in the course of employment with the subcontractor. Nevertheless, under section 24 of the Employees' Compensation Ordinance, we are entitled to be indemnified by the subcontractor who, as the actual employer of the injured employee, would have been liable to pay compensation to the injured employee.

During the Track Record Period, we have taken out employees' compensation insurance policies pursuant to section 40 of the Employees' Compensation Ordinance covering the liabilities of our Group and our subcontractors with respect to work injuries of employees, typically with a maximum coverage of not less than HK$200 million on a per incident basis in accordance with the requirements of the Employees' Compensation Ordinance.

Contractors' all risks insurance

During the Track Record Period, as a main contractor, we were responsible for purchasing the contractors' all risks insurance policies covering the liabilities of our Group and our subcontractors arising out of the performance of the subcontracted works for each of our projects, including liabilities in relation to potential damage to the buildings or structures under our Group's works or subcontracted works, potential bodily injury to third parties and damage to properties of third parties. Such contractors' all risks insurance policies are generally valid throughout the entire contract period for the relevant projects.

Other insurances

During the Track Record Period, our Group also maintained insurance for our motor vehicles and office, and life and medical insurance for our employees.

Our Directors confirm that, during the Track Record Period, all of the insurance policies maintained by our Group were obtained from Independent Third Parties.

INTELLECTUAL PROPERTY

For details of our intellectual property rights as at the Latest Practicable Date, please refer to the section headed "B. Further information about the business of our Group — 2. Intellectual property rights of our Group" in Appendix IV to this document.

Our Directors believe that we have taken all reasonable steps and measures to protect our intellectual property rights against any potential infringements. As at the Latest Practicable Date, we were not aware of any significant infringement of our intellectual property rights nor any threatened claims or commenced proceedings against us on the ground of infringement of intellectual property rights owned by third parties.

RESEARCH AND DEVELOPMENT

During the Track Record Period and up to the Latest Practicable Date, we did not engage in any research and development activity.

However, it is part of our Group's business strategy to further enhance our quality, efficiency and safety standards through the research and development of innovative technologies for integration in our operations. As at the Latest Practicable Date, we have entered into two memoranda of understanding with external service providers in Hong Kong in relation to the research and development of (i) an automated vibration monitoring system which integrates IoT and reinforcement learning for structural health monitoring of temporary propping used in top-down mechanical demolition works and (ii) an AI-enhanced site safety monitoring system for the identification and prevention of potential safety risks and hazards, respectively. For further details, please refer to the paragraph headed "Business strategies — Further enhancing our quality, efficiency and safety standards" in this section above and the section headed "Future Plans and **[REDACTED]**" in this document.

QUALIFICATIONS AND CERTIFICATIONS

The Directors our confirm that, during the Track Record Period and up to the Latest Practicable Date: (i) our Group has maintained all the necessary licenses, qualifications, and certifications which are required to carry on our business operations in Hong Kong; (ii) our Group has not experienced any refusal of registration or renewal of the licenses, qualifications and certifications which are necessary for its business operations; and (iii) to the best of their information, knowledge and belief, the Directors are not aware of any material impediments for our Group to renew any of its licenses, qualifications, and certifications upon expiry of the same.

Licences and permits

As confirmed by our Directors, our Group has obtained all licences, permits and approvals which were required to carry on our business activities during the Track Record Period and up to the Latest Practicable Date.

The following table sets out the major registrations, licences and permits held by our Group as at the Latest Practicable Date:

Relevant governmental or regulatory authority	Registrations, licences and permits	Category	Type(s) of works covered	Holder	Grant date/ latest renewal date	Expiry date
Buildings Department	Registered specialist contractor	Demolition works	Provision of services in specialised works of the demolition works category, including temporary works which are associated with the execution of respective types of general building works and specialist works.	Riseship Construction	23 January 2024	26 March 2027
Buildings Department	Registered general building contractor	N/A	Provision of services in carrying out general building works and street works which do not include any specialised works in the designated categories. Registered general building contractor may also carry out all types of minor works as stipulated in Part 2 of Schedule 1 of the Building (Minor Works) Regulation.	Riseship Construction	9 September 2024	6 November 2027
Buildings Department	Registered minor works contractor	Type A (alteration and addition works); Classes I, II and III *(Note)*	Minor works including alteration and addition works as set out in the Building (Minor Works) Regulation.	Riseship Construction	17 March 2025	1 June 2028
Electrical and Mechanical Services Department	Registered electrical contractor	N/A	Electrical works in relation to the installation, commissioning, inspection, testing, maintenance, modification or repair of a low voltage or high voltage fixed electrical installation.	Riseship Construction	6 August 2026	10 August 2029

Note: Classes I, II and III refer to the degree of complexity and risk, with Class I being high, Class II being medium and Class III being low.

The above registrations, licences and/or permits are subject to periodic review and renewal, and we must continue to meet the relevant eligibility criteria in order to maintain the above registrations, licences and permits. Our Group will renew all existing registrations, licences and permits accordingly before their respective expiry dates.

Other qualifications

As at the Latest Practicable Date, our Group also held the qualifications set out in the below table which our Directors consider to be material to our business:

Relevant governmental or regulatory authority	Qualification	Category/status	Holder	Grant date/ latest renewal date	Expiry date
Housing Authority	List of Demolition Contractors	Probationary *(Note 1)*	Riseship Construction	30 October 2024	N/A *(Note 2)*
Urban Renewal Authority	List of Demolition Contractors	Confirmed	Riseship Construction	2 May 2024	N/A *(Note 3)*
Construction Industry Council	Specialist trade contractor	Group 2 (demolition works)	Riseship Construction	5 October 2025	11 September 2026 *(Note 4)*

Notes:

1. We have been granted probationary status as an approved demolition contractor of the Housing Authority. The probationary status allows us to undertake not more than two demolition contracts awarded by the Housing Authority at any one time. A probationary contractor may apply for confirmation within three years from satisfactory completion of one contract with minimum value of HK$2 million for demolition works awarded as main contractor for demolition contract or demolition sub-contractor for piling/building contract with demolition works after inclusion in the list. As at the Latest Practicable Date, our Group had not completed such contract for demolition works awarded by the Housing Authority and had not made an application to the Housing Authority for confirmation.

2. While there is no specific expiration date, our retention in the list of demolition contractors of the Housing Authority is subject to renewal on a triennial basis (normally in March or April of the year for processing of renewal), at which time we will be required to indicate our intention to be retained in the list and submit the requisite documents within the prescribed time to demonstrate our continuous compliance with the retention criteria.

3. While there is no specific expiration date, our retention in the list of demolition contractors of the Urban Renewal Authority is subject to regular review and annual update requirements.

4. On 20 August 2026, we obtained the new certificate issued by the Construction Industry Council, which will come into effect on 12 September 2026 and expire on 11 September 2029.

The above qualifications are subject to periodic review and/or renewal, and we must continue to meet the relevant eligibility criteria in order to maintain the above qualifications. Where applicable, our Group will renew the above qualifications before their respective expiry dates.

Key personnel

In order to maintain our registrations with the Buildings Department and the above qualifications, Riseship Construction, our principal operating subsidiary, must at all times maintain at least one authorised signatory to act for it for the purposes of the Buildings Ordinance and at least one technical director to carry out certain duties, including but not limited to ensuring that our works are carried out in accordance with the Buildings Ordinance.

Set out below are the authorised signatory and technical directors of Riseship Construction for purposes of the Buildings Ordinance as at the Latest Practicable Date:

Registration	Category	Authorised Signator(ies)	Technical Director(s)
Registered specialist contractor	Demolition works	Mr. Lo Kam Kenny Mr. Lo Cheuk Pui Mr. Lo Siu Kai	Mr. Lo Kam Kenny
Registered general building contractor	N/A	Mr. Lo Kam Kenny Mr. Lo Cheuk Pui	Mr. Lo Kam Kenny
Registered minor works contractor	Type A (alteration and addition works); Classes I, II and III*(Note)*	Mr. Lo Siu Kai	Mr. Lo Kam Kenny

For further details on the biographies of the above key personnel, being our Directors and members of senior management, please refer to the section headed "Directors and Senior Management" in this document.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we have maintained the necessary number of technical directors and authorised signatories for all existing registrations as required under the Buildings Ordinance.

In the event that our Group is unable to maintain at least one authorised signatory and one technical director due to the departure of the above-mentioned personnel, our registrations with the Buildings Department may be affected. However, our Directors consider that such risk is not material because of the following reasons:

(i) we have been able to satisfy the minimum requirement of having at least one authorised signatory and one technical director throughout the Track Record Period and up to the Latest Practicable Date;

(ii) we had at least two authorised signatories as at the Latest Practicable Date (save for our registration as a minor works contractor for Classes I, II and III in the alteration and addition works category), which is more than the statutory requirement of having at least one authorised signatory; and

(iii) although we only had one technical director as at the Latest Practicable Date, our Group has other employees and officers who possess the relevant qualifications and experience meeting the requirements imposed by the Building Authority for the position of technical director. On 21 August 2026, Mr. Lo Cheuk Pui submitted an application to the Buildings Department for registration as an additional technical director of Riseship Construction. Having considered the qualifications and the requirements imposed by the Building Authority for the position of technical director, the availability of qualified employees and officers of our Group who meet the relevant requirements for the position of technical director, our Directors are of the view that there will be no material difficulty in identifying and retaining a qualified person to take up the role of technical director of Riseship Construction within a reasonable period of time should such need arise.

Working capital

We are required to maintain certain prescribed minimum levels of working capital in order to maintain our qualifications set out in the paragraph headed "Qualifications and certifications — Other qualifications" in this section above. For details of such minimum working capital requirements, please refer to the paragraph headed "Regulatory Overview — Laws and regulations in relation to contractor licensing regime and operation" in this document.

As confirmed by our Directors, our Group has maintained sufficient levels of working capital in fulfilment of the relevant regulatory requirements during the Track Record Period and up to the Latest Practicable Date.

For details of our working capital management policies and measures, please refer to the paragraph headed "Working capital management" in this section below.

Certifications

The below table sets out various certifications obtained by us as at the Latest Practicable Date:

Nature	Certification	Awarding institution	Scope	Holder	Period of validity
Quality management system accreditation	ISO 9001: 2015	SGS Hong Kong Limited	• Demolition of buildings and structures with demolition design • Building activities to keep, restore and improve the facilities of buildings and surroundings except emergency service	Riseship Construction	20 June 2025 to 19 June 2028

Nature	Certification	Awarding institution	Scope	Holder	Period of validity
Environmental management system accreditation	ISO 14001: 2015	SGS Hong Kong Limited	• Demolition of buildings and structures with demolition design • Building activities to keep, restore and improve the facilities of buildings and surroundings except emergency service	Riseship Construction	20 June 2025 to 19 June 2028
Occupational health and safety management system accreditation	ISO 45001: 2018	SGS Hong Kong Limited	• Demolition of buildings and structures with demolition design • Building activities to keep, restore and improve the facilities of buildings and surroundings except emergency service	Riseship Construction	20 June 2025 to 19 June 2028

The maintenance of the above certifications is subject to the continuing satisfactory operation of our Group's management system and surveillance audits. Our Directors confirm that, as at the Latest Practicable Date, they were not aware of, nor did they expect, any circumstances or difficulties that would significantly hinder or delay the renewal of these certifications.

WORKING CAPITAL MANAGEMENT

To ensure our Group is able to attain the minimum level of working capital our business operations and maintenance of our qualifications, our Group has adopted a prudent treasury management policy to (i) ensure that our Group's funds are properly and efficiently collected and deployed such that there is no material shortfall in cash which may interrupt our Group's daily business obligations; (ii) maintain sufficient level of funds to settle our Group's capital commitments when they fall due; (iii) maintain adequate liquidity to cover our Group's operation cash flow, project expenditures and administrative expenses; and (iv) streamline our Group's operational processes to achieve savings in project-related costs, maintenance and other operating costs.

In particular, we have adopted the following measures to manage our liquidity and working capital positions:

(i) our financial controller is responsible for the overall monitoring of our current and expected liquidity requirements on a monthly basis to ensure that we maintain sufficient financial resources to meet our liquidity requirements;

(ii) as a general policy, we only procure goods and services from our suppliers and subcontractors (such as renting of machinery and equipment and purchase of construction work services from our subcontractors) on an as-needed basis according to the requirements and schedule of the project to prevent excessive purchases; and

(iii) we closely monitor our working capital to ensure that our financial obligations can be fulfilled when due, by, among other things, ensuring healthy bank balances and cash for payment of our short-term working capital needs, performing monthly review of our trade receivables and ageing analysis, and following up closely to ensure prompt receipt of amounts due from our customers, and performing monthly review of our trade payables and ageing analysis to ensure that payments to our suppliers and subcontractors are made on a timely basis.

Our Group expects to finance its operation and capital requirements by utilising its existing financial resources. As confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, our Group did not receive any notice from banks and financial institutions for early payment of outstanding banking facilities. In the event that any additional funds are required, our Group will obtain banking facilities and our Group does not expect it will encounter any material difficulty in securing banking facilities from banks and financial institutions.

Our Group expects to generate more stable stream of cash flows from operating activities as it expands its operation scale and undertakes more projects. As a result of our Group's increased operational efficiency as well as quality of service, our Directors believe that our Group will be able to capture more business opportunities and expand its market share, thereby generating more cash flows from operations. In addition, our Group expects to receive net **[REDACTED]** from the **[REDACTED]** which are estimated to be approximately HK$**[REDACTED]** (on the basis of the mid-point of the indicative **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**), which will be deployed to achieve our future plans as set out in the section headed "Future Plans and **[REDACTED]**" in this document.

Our Group will continue to adopt a prudent approach to ensure we maintain sufficient levels of working capital and cash flow to fulfill our financial obligations and meet the capital requirements for our business operations.

QUALITY MANAGEMENT

We believe that our commitment to quality services is crucial to our reputation and continual success. We place strong emphasis on service quality by implementing a comprehensive quality control system. Riseship Construction has obtained certification certifying its quality management to be in compliance with the requirements of the ISO 9001:2015 standard. In accordance with the requirements of the ISO 9001:2015 standard, our Group has developed and implemented a quality management manual which stipulates procedures and control in relation to quality management system, proper filing, communication with customers, revision on quality manual and procedures, employees' training, internal and external audits, evaluation and procurement of materials and subcontracting services and non-conforming works management.

The quality control measures adopted by our Group include the followings:

Designation of project management team

A project management team is assigned for every project based on the project nature and the relevant expertise and experiences required. The project management team is headed by the project manager who is responsible for the overall management of the project, including but not limited to liaising and communicating with our customers, coordinating and providing guidance to the other team members, overseeing the progress, budget and quality of services rendered. Depending on our customers' requests, we are generally required to submit biweekly progress reports to our customers throughout the project implementation. Our biweekly progress reports are prepared by the project management team which will report on the project status and any issue identified throughout the project implementation.

Quality control on our services

To ensure that our works meet the required standard, our project manager and site manager are responsible for monitoring the quality of work done by our subcontractors and supervising their workmanship and quality. Our project manager makes visits to construction sites for which he is responsible and monitors the work quality, the progress of work and ensures that works are completed according to schedule.

Furthermore, our project management team communicate frequently with our executive Directors who closely monitor the progress of each project and discuss issues identified to ensure our works: (i) meet our customers' requirements; (ii) are completed within the time stipulated in the contract and the budget allocated for the project; and (iii) comply with all relevant laws and regulations applicable to the works.

Our Directors confirm that, save as disclosed in the paragraph headed "Customers — Relationship with our customers" in this section above, during the Track Record Period and up to the Latest Practicable Date, we had not received any complaint or claim for compensation of material nature from our customers due to quality issue in relation to the services performed by us or works performed by our subcontractors.

Works performed by subcontractors

Our Group maintains an approved list of subcontractors which is reviewed and updated on a regular basis. We select our subcontractors having regard to, among other things, their quality of services, delivery time, qualifications, skills and technique, reputation, track record, prevailing market price, and availability of resources in accommodating our requests.

For our Group's quality control measures over our subcontractors, please refer to the paragraph headed "Business — Suppliers and subcontractors — Control over subcontractors" above in this document.

Quality control on construction materials and machinery and equipment

We closely monitor the quality of materials and machinery and equipment used. To ensure the quality of such supplies, prior to ordering, our quantity surveyor will ensure that the materials, machinery and equipment are sourced from our approved suppliers to ensure overall quality of supplies and that the same are in compliance with the relevant requirements and standards under applicable laws, regulations and guidelines of the relevant regulatory authorities. For instance, since the issue of the Practice Note for Registered Contractors No. 85 on 19 December 2025, we have taken steps to ensure that any protective materials such as protective nets, screens, tarpaulins and plastic sheeting installed on scaffolding of external walls of buildings and structures at our work sites meet the required standards of fire retardant performance. For further details, please refer to the paragraph headed "Regulatory Overview — Laws and regulations in relation to labour, health and safety — New requirements on fire retardant performance of protective nets, screens, tarpaulins and plastic sheeting installed on scaffolding of external wall imposed by the Buildings Department" in this document.

Upon arrival of the ordered supplies, the materials or machinery and equipment will be inspected by our on-site project management team and/or engineers prior to utilisation. During the inspection, we will check (i) whether the quantity, types and specifications are correct, (ii) whether there are any observable defects, and (iii) whether such machinery complies with the relevant statutory safety requirements. Any materials, machinery or equipment which are defective or fall short of the product specifications would be returned to the suppliers or subcontractors for replacement. From time to time, our customers may also inspect the materials and machinery used by us at project sites and verify the specifications.

During the Track Record Period and up to the Latest Practicable Date, there were no material disputes between our Group and our suppliers and subcontractors with respect to the quality of construction materials and machinery and equipment supplied by our suppliers and subcontractors.

Collecting feedback from customers

Our executive Directors and senior management team regularly communicate with and collect feedback from our customers. We would follow up and respond to the feedback from our customers in a timely manner with a view to maintain and continually improve our service standard. Throughout the project implementation, we would be invited to attend progress meetings held by our customers from time to time to resolve any issues identified in the projects.

OCCUPATIONAL HEALTH AND SAFETY

It is our Group's policy to prioritise occupational health and work safety in all aspects of our operations as it is our concern not to put our employees, our subcontractors and the general public in hazards. We aim to accomplish work safety, prevent work accidents and maintain high standards of health and safety for our employees and individuals involved in the delivery of our services, while taking all reasonably practicable measures to protect the general public and from any potential hazards which may arise from our activities.

To this end, we have implemented occupational health and safety measures as required by relevant occupational health and safety laws, rules and regulations, details of which are set out in the paragraph headed "Regulatory Overview — Laws and regulations in relation to labour, health and safety" in this document. Our occupational safety and health management system has been certified to be compliance with the ISO 45001:2018 standard.

Our chief executive officer, safety supervisor and safety and environmental coordinator are responsible for setting the overall targets and the regular review and updates to our occupational health and safety policies, while our project management team is responsible for overseeing the day-to-day implementation of our occupational health and safety policies and ensuring that we comply with applicable occupational health and safety standards and laws.

With a view of enhancing the awareness of work safety and occupational hazards in the construction industry, our Group has put in place a safety manual which is reviewed from time to time to incorporate the best practices and to address and improve specific areas of our safety management system. We require our employees and our subcontractors' employees to follow our workplace safety rules as set out in our safety manual. Our workplace and safety rules identify common safety and health hazards and recommendations on prevention of workplace accidents. We also provide suitable personal protective equipment such as safety helmet and safety boots to our employees based on the type of works undertaken by them.

Our on-site project management team regularly provides guidance to our workers and subcontractors on proper and safe working practices. We also hold meetings with our subcontractors from time to time to discuss the implementation of safety measures and follow up with any safety issues identified during the course of project execution.

Work safety measures

The work safety measures implemented by our Group to ensure high standards of safety and prevent workplace accidents include, without limitation, the following:

(i) regular site inspections are carried out by our safety supervisor and safety officer to ensure strict compliance with the statutory occupational health and safety laws, rules and regulations;

(ii) our safety supervisor and safety officer shall assist our executive Directors to establish, approve and ensure the implementation of our work safety measures and arrange regular meetings to review the implementation of our work safety measures;

(iii) our safety supervisor and safety officer shall advise our senior management team on the legal requirements in respect of occupational health and safety matters, including but not limited to anticipating possible workplace hazards and recommend relevant prevention procedures, providing statistics and analysis on work place accidents and make recommendations for improvement, reporting and investigating any works accidents, determining their causes and making recommendations on measures for preventing recurrence;

(iv) our project management team shall ensure that our work safety measures are incorporated into our proposed construction methods from the planning stage, and are subsequently adhered to throughout project implementation;

(v) our site manager shall co-operate with our safety supervisor and safety officer to establish on-site safety practices and ensure that all new comers to the construction sites are aware of their obligations to comply with such practices;

(vi) all site personnel will undergo initial induction trainings covering core topics such as work safety measures, relevant health and safety regulations, emergency, common hazards of work sites, accident reporting and first aid procedures. Other matters such as working at height, proper use of personal protective equipment and safe use of machinery and equipment are also covered in the trainings;

(vii) all workers are required to hold a valid construction industry safety training certificate and construction workers registration card before they enter the site; and

(viii) in view of the new regulatory requirements in relation to prohibition of smoking on construction sites which took effect on 17 July 2026 as set out in the paragraph headed "Regulatory Overview — Laws and regulations in relation to labour, health and safety — Amendments to the Construction Site (Safety) Regulations (Chapter 59I of the Laws of Hong Kong) ("**CSSR**")", we have implemented measures to prevent staff and workers (including those of our subcontractors) from smoking on our construction sites, such as providing trainings and/or reminders to ensure awareness of the smoking ban, placing "no smoking" signs at various locations on our construction sites and ongoing monitoring and surveillance by our on-site personnel.

In addition, we are committed to the integration of the Smart Site Safety System (SSSS) into our operations. As set out in the Development Bureau Technical Circular No. 3/2023 issued by the Works Branch of the Development Bureau of the Government, the SSSS comprises (i) smart safety devices for monitoring high-risk construction activities and identifying safety hazards, (ii) a communication network for transmission of data collected from smart devices, and (iii) a centralized management platform for data analysis and alerts generation, as well as facilitating follow-up actions with potential hazards and abnormalities identified. In accordance with Practice Note for Registered Contractors No. 80 issued by the Buildings Department in March 2025, with effect from 1 July 2025, for a development project of which the estimated total cost of building works exceeds HK$30.0 million, conditions requiring the provision of qualified supervision by the adoption of the unsafe acts/dangerous situation alert system for mobile plant operation danger zone and the unsafe acts/dangerous situation alert system for tower crane lifting zone under the SSSS would be imposed under the Buildings Ordinance upon granting (i) the first approval of plans or major revision of plans, and/or (ii) the first consent to the commencement and carrying out of building works (including demolition works, site formation works, excavation and lateral support works, foundation works, pile cap works, superstructure works and alteration and addition project that involves structural works) which involve the use of mobile plants and/or tower cranes. In view of the foregoing, we have entered into a memorandum of understanding with an external service provider in relation to the research and development of an AI-enhanced site safety monitoring system for the identification and prevention of potential safety risks and hazards. For further details, please refer to the paragraph headed "Business strategies — Further enhancing our quality, efficiency and safety standards" in this section above and the paragraph headed "Future Plans and **[REDACTED]** — **[REDACTED]**" in this document.

Further, pursuant to the Factories and Industrial Undertakings (Safety Management) Regulation (Chapter 59AF of the Laws of Hong Kong), a contractor in relation to construction work with a contract value of HK$100 million or more or having an aggregate of 100 or more workers in a day working in one or more construction sites is obliged to appoint a safety auditor to conduct a safety audit on the contractor's safety management system at least once in every six months. During the Track Record Period, we have complied with such safety audit requirement where applicable to our Group. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, no material deficiencies in relation to workplace safety has been identified by the safety auditors and our safety management system had continually fulfilled the relevant safety regulations in all material respects.

Accident recording and handling system and our safety compliance record

In the event that there is an accident at our work site, we will require any injured worker or person who witnessed the accident to report to our on-site management team for the purposes of collecting information for processing employees' compensation claims as well as compliance with the relevant laws and regulations in Hong Kong regarding the reporting of all work injuries at our sites to the Labour Department. To ensure proper recording and handling of work injuries, we have adopted the below general procedures:

(a) Fact finding and follow-up actions

  (i) Our safety supervisor and/or safety officer will investigate the accident by visiting the accident scene, examining the equipment and/or material involved and taking statements from the injured worker, witness(es) of the accident and other personnel in relation to the project.

  (ii) Remedial actions will be taken by our project management team to remove imminent danger and to prevent occurrence of similar accidents in the future. Our safety supervisor and/or safety officer will also carry out follow-up inspection to ensure that remedial works are implemented.

(b) Reporting

  (i) Our safety supervisor and/or safety officer will prepare a work injury report and, if it is a reportable case under the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), submit the same to the Labour Department within the statutory prescribed period. For details of the reporting requirements, please refer to the paragraph headed "Regulatory Overview — Laws and regulations in relation to labour, health and safety — Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong)" of this document.

  (ii) Our human resources and administrative staff will report to the insurance company and, where the claim is significant or otherwise considered necessary, consult external legal advisers.

(c) Settlement or litigation

Settlement of any claim will normally be handled by the insurance company. If the insurance company and the injured person (or their respective representatives) do not agree on the settlement amount, the matter may proceed to litigation, which would typically be handled by the insurance company and its legal advisers.

Work accidents

During the Track Record Period and up to the Latest Practicable Date, there were four accidents involving our employees and/or our subcontractors' employees which gave rise or may give rise to potential employees' compensation claims and/or personal injury claims, and two accidents which occurred prior to the commencement of the Track Record Period but which were settled or commenced against our Group during the Track Record Period as set out below:

Date of accident	**Details of the accident**	**Total amount claimed/settled (if applicable)** *(HK$'000)*	**Status as at the Latest Practicable Date**
19 December 2025	Scalp laceration and left wrist contusion during material transportation	N/A *(Note 1)*	No active claim *(Note 1)*
10 December 2025	Left-sided rib crack resulting from a slip	N/A *(Note 2)*	No active claim *(Note 2)*
22 November 2025	Left index finger injury during material transportation	211	Ongoing *(Note 3)*
29 May 2025	Right ankle fracture during material transportation	205	Settled *(Note 4)*
19 July 2023	Left wrist fracture while driving a heavy goods vehicle	Unliquidated damages together with interest and costs	Ongoing *(Note 5)*
21 December 2022	Right calf laceration, right lower limb sprain, right leg and right calf injuries caused by falling object at construction site	88	Settled *(Note 6)*

Notes:

1. As at the Latest Practicable Date, the Labour Department had issued notice to our subcontractor (being the employer of the injured person at the relevant time) of its decision to cease to follow the case upon notification by the subcontractor to the Labour Department that the relevant employee did not intend to make a claim for compensation.

2. As at the Latest Practicable Date, the Labour Department had issued notice to the injured person and the subcontractor (being the employer of the injured person at the relevant time) of its decision to cease to handle the case on the ground that the injured person had failed to provide the requisite information.

3. As at the Latest Practicable Date, the employee's compensation claim had been transmitted to the insurer for its handling.

4. As at the Latest Practicable Date, the employee's compensation claim made by the injured person had been paid in full, and no further claim had been made by the injured person.

5. For details, please refer to the paragraph headed "Legal proceedings and potential claims — Ongoing litigations against our Group as at the Latest Practicable Date" in this section above.

6. The employees' compensation proceedings commenced by the injured person were discontinued upon the application of the claimant in May 2024 on the ground that the claim (including costs of the action) had been settled with the insurer of our Group out of court.

For further details of the employees' compensation claims under the Employees' Compensation Ordinance and personal injury claims under common law, please refer to the paragraph headed "Legal proceedings and potential claims" in this section below. Save as disclosed above, our Group did not experience any significant incidents or accidents in relation to workers' safety during the Track Record Period and up to the Latest Practicable Date.

We have taken out insurance in compliance with applicable laws and regulations with a view to providing sufficient coverage for such work-related injuries for employees and we have not incurred any material liabilities as a result thereof. As such, these incidents did not and are not expected to have a material impact on our Group's operations. For further details of our insurance policies, please refer to the paragraph headed "Insurance" in this section above.

Work accident rates

The following table sets out a comparison of the industrial accident rate per 1,000 workers and the industrial fatality rate per 1,000 workers in the construction industry in Hong Kong between our Group and the industry average during the years/periods indicated:

	Construction industry average in Hong Kong *(Note 1)*	**Our Group** *(Notes 2 and 3)*
From 1 January 2024 to 31 December 2024		
Accident rate per 1,000 workers	24.8	0
Fatality rate per 1,000 workers	0.114	0
From 1 January 2025 to 31 December 2025		
Accident rate per 1,000 workers	N/A *(Note 4)*	1.5
Fatality rate per 1,000 workers	N/A *(Note 4)*	0
From 1 January 2026 to the Latest Practicable Date		
Accident rate per 1,000 workers	N/A *(Note 4)*	0
Fatality rate per 1,000 workers	N/A *(Note 4)*	0

Notes:

1. The statistics are extracted from the Occupational Safety and Health Statistics Bulletin Issue No. 25 (August 2025) published by Occupational Safety and Health Branch of the Labour Department.

2. Our Group's accident rate is calculated as the number of industrial accidents during the year/period multiplied by 1000, and divided by the monthly average number of construction site workers in our Group's projects during the relevant financial year/period.

3. The above data provided includes the employees of our Group and employees and workers of subcontractors during the years/periods indicated.

4. The relevant data have not been published as at the Latest Practicable Date.

Based on the available information and after considering the historical accident rates in the construction industry, our Directors consider that, in the calendar year ended 31 December 2024, the accident rate at our Group's construction sites was less than the industry average in Hong Kong. Further, no fatal injury was recorded at our Group's construction sites during the Track Record Period.

Our Directors confirm that, during the Track Record Period and as at the Latest Practicable Date, our Group had fully complied, in all material aspects, with all relevant laws, rules and regulations relating to health and safety and that our Group had not been investigated or received any official complaints or sanctions by any relevant authorities, in respect of any violation of applicable laws or regulations in respect of health and safety.

ENVIRONMENTAL COMPLIANCE

Our operations at work sites are subject to certain environmental requirements pursuant to the laws in Hong Kong, including primarily those in relation to air pollution control, noise control and waste disposal during the Track Record Period. For details of the regulatory requirements, please refer to the paragraph headed "Regulatory Overview — Laws and regulations in relation to environmental protection" in this document.

Our Group is committed to environmental protection by conducting our business in an environmentally responsible manner. Apart from following the environmental protection policies required by our customers, we have established an environmental management system which has been certified to be in compliance with the ISO 14001:2015 standard. This system, which is required to be followed by our Group's employees and the employees of our subcontractors, serves to provide a framework for action and for the setting of the environmental objectives and targets.

Our project management team (including, in particular, our project manager and safety and environmental coordinator) are responsible for supervising the implementation of the system. Generally, our Group would identify the environmental issues and assess the associated impact on certain aspects for its projects including but not limited to, use of materials and resources, waste disposal, water pollution and noise control, and if necessary, a project environmental management plan will be devised.

Specifically, the measures and procedures adopted by our Group in relation to environmental protection and compliance include, among others:

Area	Measures
Air pollution control	• Application of water or dust suppression chemicals on dusty materials immediately prior to any loading, unloading or transfer operation • Restrict stockpiling of dusty materials at the access road • Switch off engines of vehicles during any idle time
Noise control	• Use powered mechanical equipment for work from 7:00 a.m. to 7:00 p.m. during weekdays but not at any time on general holidays (including Sundays) • Erection of noise barrier
Water pollution control	• Discharge waste water according to regulatory requirements • Reuse and recycle waste water
Waste disposal	• Dispose all waste according to regulatory requirements • Dispose refuse to recycling bins and inert or noninert construction waste materials to rubbish collection point • Provide proper chemical waste storage, such as anti-spillage type container • Separate empty cans, contaminated rags and paper for disposal and label each hazardous substance

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, there was no material non-compliance with the applicable laws and regulations in relation to environmental protection that resulted in prosecution being brought against or penalty being imposed on our Group.

INTERNAL CONTROL AND RISK MANAGEMENT

We endeavour to uphold the integrity of our business by maintaining internal control and risk management systems and procedures. Our Board is responsible for establishing and maintaining such systems and procedures and reviewing their effectiveness. Following the **[REDACTED]**, we will continue to enhance our risk management and internal control systems through the following measures:

(i) independent oversight by our three independent non-executive Directors, who provide independent advice and oversight on our governance, risk management and internal controls;

(ii) an audit committee comprised of our independent non-executive Directors, with responsibility for overseeing the financial reporting process, the internal control and risk management systems and the audit process;

(iii) written internal control policies and procedures covering corporate governance, finance and accounting, internal approval and review, with periodic review and Board approval; and

(iv) engagement of external professional advisers, including our compliance adviser, Patrons Capital Limited (with effect from the **[REDACTED]**), as well as legal advisers, tax advisers and/or internal control consultants as appropriate, to support our compliance and risk management framework and to provide regular training to our employees.

For further details of our corporate governance measures, please refer to the paragraph headed "Corporate governance" in this section below.

Internal control review by external consultant

In preparation for the **[REDACTED]**, we have engaged a third party consultant (the "**Internal Control Consultant**") to perform a review over selected areas of our internal controls such as cash and treasury management, financial reporting and accounting and management systems (the "**Internal Control Review**"). The selected areas reviewed included enterprise-level controls and business process controls, such as revenue and receivables, procurement and payables, financial reporting and corporate governance. The Internal Control Consultant has then performed a follow-up review to review the status of the management actions taken by our Group to address the findings of the Internal Control Review (the "**Follow-up Review**").

The Internal Control Review and the Follow-up Review were conducted based on the information provided by our Company and no assurance or opinion on internal controls was expressed by the Internal Control Consultant.

Our Directors confirm that the internal control measures implemented by our Group are adequate and effective to ensure a proper internal control system of our Group.

CORPORATE GOVERNANCE

Our Company will comply with the CG Code. We have established procedures for developing and maintaining internal control systems covering areas such as corporate governance, operations management, compliance matters, financial reporting, as appropriate for our business operations. We believe that our internal control systems and current procedures are sufficient in terms of comprehensiveness, practicability and effectiveness. In particular, we have adopted the following internal control measures to enhance our corporate governance:

(i) Our Board includes three independent non-executive Directors, whose backgrounds and profiles are set out in the section headed "Directors and Senior Management" in this document, to ensure transparency in management and fairness in business decisions and operations. Our independent non-executive Directors contribute to the enhancement of corporate value by providing advice and oversight based on their extensive administrative experience and specialised knowledge.

(ii) Our Directors will review and provide recommendation on our risk management related policies and procedures, and review the effectiveness and adequacy of our risk management activities annually.

(iii) We have established three Board committees, namely, the audit committee, the nomination committee and the remuneration committee, with respective terms of reference in compliance with the CG Code. For details, please refer to the paragraph headed "Directors and Senior Management — Board committees" in this document.

(iv) We have established an audit committee which comprises three independent non-executive Directors to review and monitor the effectiveness of our financial controls, internal control and risk management systems. Our internal control system will be reviewed by our internal audit personnel or independent internal control consultant on an annual basis to ensure that effective internal control procedures are in place. For details on our internal control policies and measures, please refer to the paragraph headed "Internal control and risk management" in this section above.

(v) Each of our Directors has attended a training session held on 6 August 2026 conducted by our legal advisers as to Hong Kong law in relation to, among other things, the obligations, on-going corporate governance requirements and the duties of directors of a company listed on the Stock Exchange. Our Group will continue to arrange various trainings to update the knowledge of our Directors, senior management and relevant employees on the applicable laws and regulations.

(vi) We have appointed Patrons Capital Limited as our compliance adviser to advise us on compliance matters in relation to the GEM Listing Rules.

(vii) Our Directors will review our corporate governance measures and our compliance with the CG Code each financial year and comply with the code provisions and the "comply or explain" principle in our corporate governance reports to be included in our annual reports after the **[REDACTED]**.

LEGAL PROCEEDINGS AND POTENTIAL CLAIMS

Save as disclosed below, our Directors confirm that no member of our Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened against any member of our Group during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, we had been involved in certain claims, litigations, pending or threatened claims against our Group. The claims against us typically relate to employees' compensation claims and personal injury claims. Our Directors are of the view that occurrence of employees' compensation claims and personal injury claims is not uncommon in our industry. During the Track Record Period and as at the Latest Practicable Date, our Directors were not named as defendants or potential defendants in the litigations or potential litigations against our Group set out below, and our Directors had no personal involvement in these litigations and would not be personally held liable.

We have taken out compulsory insurance in relation to our liabilities as an employer under section 40 of the Employees' Compensation Ordinance and when we became aware of claims against us, we will hand over those cases to our insurers as required under the insurance policies. During the Track Record Period and up to the Latest Practicable Date, save as disclosed below, we did not experience situations where our insurers had avoided covering our liability under employees' compensation claims and personal injury claims against us and therefore, we did not incur additional liability of material importance as a result of employees' compensation claims and personal injury claims not being covered by our insurance policies.

Ongoing litigations against our Group as at the Latest Practicable Date

Personal injury proceedings

As at the Latest Practicable Date, our Group was involved in the following ongoing personal injury proceedings against our Group:

Nature of the claim	Date of the accident/alleged accident	Particulars of the claim	Total amount claimed	Insurance coverage
Personal injury	19 July 2023	An employee of a subcontractor of our Group sustained left wrist fracture while driving a heavy goods vehicle transporting a skip of construction waste materials from a construction site of our Group	Unliquidated damages together with interest and costs	Pending *(Note)*

Note: As at the Latest Practicable Date, our Group was in discussion with the insurer regarding coverage of this claim under the employees' compensation and contractors' all risks insurance policies purchased by our Group, and the final decision of the insurer remained pending.

Due to the nature of employees' compensation and personal injury claims, the specific claim amounts may not be specified when court proceedings were first commenced. As the final settlement amounts of the employees' compensation or personal injury claim would depend on the individual facts and circumstances of the proceedings and be decided by the court, we are not in a position to assess the likely quantum or our maximum liability exposure from such claims. Our Directors are therefore of the view that the above ongoing proceedings have no material financial and operational impact on our Group.

Potential litigations against our Group as at the Latest Practicable Date

Potential litigation in relation to employee's compensation claims and common law personal injury claims

Potential claims refer to those accidents for which no claims have been commenced against us but are within the limitation period of two years (for employees' compensation claims) or three years (for personal injury claims) from the dates of the relevant accidents pursuant to the Limitation Ordinance (Chapter 347 of the Laws of Hong Kong).

As at the Latest Practicable Date, there were a total of four recorded work injury accidents resulting in injuries to our employees and/or our subcontractors' employees which might give rise to potential employees' compensation and/or personal injury claims against our Group. For further details, please refer to the paragraph headed "Occupational health and work safety — Work accidents" in this section above. The table below sets out a summary of the expiry of limitation period of the aforesaid work injury accidents:

Year	Number of employees' compensation claims which limitation period will expire	Number of personal injury claims which limitation period will expire
From the Latest Practicable Date to 31 December		
2026	0	0
2027	4	0
2028	0	4
2029	0	0
Total:	4	4

These accidents occurred during the usual and ordinary course of our business and have not caused any material disruption to our business. Our Directors are of the view that any potential claims arising from the work injury accidents will be covered by our relevant insurance policies and, to the extent that such amount is not covered by the relevant insurance policies, it will be indemnified by our Controlling Shareholders pursuant to the Deed of Indemnity. Accordingly, our Directors are of the view that the aforementioned potential claims would not result in any material impact on the operations, financial results or financial position of our Group.

No provision for litigation claims

We have taken out insurance policies in compliance with the applicable laws and regulations with a view to providing sufficient coverage for such work-related injuries for employees, and we have not incurred any material liabilities as a result thereof during the Track Record Period and up to the Latest Practicable Date. As such, these incidents did not and are not expected to have a material impact on our Group's operations. For further details of our insurance policies, please refer to the paragraph headed "Insurance" above in this section.

Regarding the ongoing or potential employees' compensation and personal injury claims, no provision was made in the financial statements of our Group, having considered: (i) the uncertainties as to whether the potential claims will be commenced; (ii) the coverage of insurance policies; (iii) the uncertainties in the total amount that will be involved for such claims, if any; and (iv) the indemnity given by our Controlling Shareholders as mentioned below.

Indemnity given by our Controlling Shareholders

Mr. Lo Cheuk Pui and Legacy Capital, being our Controlling Shareholders, have entered into a Deed of Indemnity in favour of our Company (for ourselves and each of our subsidiaries) to provide indemnities on a joint and several basis in respect of, among other matters, any claims, fines, payments, actions, damages, judgements, proceedings, costs and expenses which would be incurred accrued or suffered by our Group as a result of (i) breach or non-compliance with any applicable laws, rules and regulations; and (ii) any outstanding and potential litigations (including any civil or criminal litigations) or claims against our Group on or before the date on which the **[REDACTED]** becomes unconditional, including but not limited to the incidents and proceedings referred to in the paragraphs headed "Legal proceedings and potential claims". Please refer to the paragraph headed "Statutory and General Information — E. Other Information — 1. Tax and other indemnities" in Appendix IV to this document for details of the Deed of Indemnity.

COMPLIANCE

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, there was no non-compliance incident which was material or systematic in nature, and our Group has obtained all the approvals, permits, consents, licences and registrations required for our business and operations in Hong Kong and all of them remain valid and in force.

OVERVIEW

Immediately following the **[REDACTED]** of the **[REDACTED]** (without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of the **[REDACTED]** and any options which may be granted by our Company upon the exercise of options that may be granted under the **[REDACTED]**), pursuant to the Acting in Concert Confirmation and by virtue of Part XV of the SFO, each of Legacy Capital (being wholly owned by Mr. Lo Cheuk Pui), Mr. Lo Cheuk Pui, HonTide (being owned as to 42.4%, 36.0%, 18.0% and 3.6% by Mr. Lo Kam Kenny, Mr. Lo Siu Kai, Mr. Lo Siu Tong and Ms. Mak Wai Chun, respectively), Mr. Lo Kam Kenny, Mr. Lo Siu Kai, Mr. Lo Siu Tong and Ms. Mak Wai Chun will be entitled or deemed to be entitled to exercise or control the exercise of voting rights of **[REDACTED]**% of the total issued share capital of our Company. Therefore, Legacy Capital, Mr. Lo Cheuk Pui, HonTide, Mr. Lo Kam Kenny, Mr. Lo Siu Kai, Mr. Lo Siu Tong and Ms. Mak Wai Chun will constitute a group of our Controlling Shareholders upon the **[REDACTED]**.

Mr. Lo Cheuk Pui is our executive Director, chairman of our Board and chief executive officer. Mr. Lo Siu Kai is our executive Director and site manager. Mr. Lo Kam Kenny is our founder and chief technical officer. For further information of Mr. Lo Cheuk Pui, Mr. Lo Siu Kai and Mr. Lo Kam Kenny, please refer to the section headed "Directors and Senior Management" in this document.

Save as disclosed above, there is no other person who will, immediately following **[REDACTED]** of the **[REDACTED]** (without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of the **[REDACTED]** and **[REDACTED]**), be entitled to exercise of or control the exercise of 30% or more of the voting rights at general meetings of our Company.

ACTING IN CONCERT CONFIRMATION

On 24 August 2026, Mr. Lo Cheuk Pui, Mr. Lo Kam Kenny, Mr. Lo Siu Kai, Mr. Lo Siu Tong and Ms. Mak Wai Chun, being our Controlling Shareholders, executed the Acting in Concert Confirmation, pursuant to which Mr. Lo Cheuk Pui, Mr. Lo Kam Kenny, Mr. Lo Siu Kai, Mr. Lo Siu Tong and Ms. Mak Wai Chun acknowledged, agreed and confirmed, among other things, that, for the purpose of the **[REDACTED]**, from the date on which they first became the registered owners of the shares of any member of our Group: (a) they are and have been parties acting in concert with each other in exercising and implementing the management and operation of our Group; and (b) for so long as they remain interested or deemed to be interested in the share capital of any member of our Group, they shall, directly or indirectly through their respective controlled corporations, (i) act in concert and collectively for all material management affairs and the arrival and/or execution of all commercial, business and corporate development decisions of our Group, (ii) give unanimous consent, approval or rejection on any other material issues and decisions in relation to the management, business and operations or other affairs of our Group, (iii) cast unanimous vote collectively for or against all resolutions in all directors' and shareholders' meetings (as appropriate) and discussions concerning the management, business and operations or other affairs of our Group, (iv) cooperate with each another to obtain and maintain the consolidated control and the management of our Group, and (v) not, without the prior express written consent of each of the other parties to the Acting in Concert Confirmation, dispose of his or her interest, whether directly or indirectly held, in the share capital of our Company or any other member of our Group.

DELINEATION OF BUSINESS

Our Group is principally engaged in the provision of demolition works and other construction works as a main contractor in Hong Kong. For details of our business operations, please refer to the section of headed "Business" in this document.

As at the Latest Practicable Date, Mr. Lo Kam Kenny, Mr. Lo Cheuk Pui and Mr. Lo Siu Kai held 40%, 30% and 30% of the total issued share capital of UNI Real Estate, respectively. UNI Real Estate is a private company limited by shares incorporated under the laws of Hong Kong and was primarily engaged in the business of property holding and leasing as at the Latest Practicable Date.

During the Track Record Period, our Group entered into the following transactions with UNI Real Estate:

(i) Subcontracting arrangements for construction works

As disclosed in the paragraph headed "Business — Suppliers and subcontractors — Major suppliers and subcontractors" in this document, UNI Real Estate was our largest subcontractor for each of FY2025 and FY2026, accounting for approximately 29.9% and 18.7% of our Group's total cost of services during those years, respectively.

The said purchases were attributable to the services provided to our Group by UNI Real Estate for various building demolition and other construction works projects undertaken by our Group during the Track Record Period. Our Group as a main contractor entered into subcontracting agreements with UNI Real Estate, pursuant to which we delegated our works to UNI Real Estate as a subcontractor upon terms which were generally in line with the terms of our subcontracting arrangements with other third party subcontractors of construction works as set out in the paragraph headed "Business — Major suppliers/subcontractors — Principal terms of engagement with our subcontractors of construction works". As confirmed by our Directors, such transactions were entered into between our Group and UNI Real Estate after arm's length negotiations between the parties, and the pricing and other terms of our Group's purchases from UNI Real Estate were on normal commercial terms or better.

Since 31 March 2026, UNI Real Estate has ceased to carry on business as a subcontractor of construction works and, save for investment holding and property rental, UNI Real Estate had no other business operations as at the Latest Practicable Date. Given the internal resources of our Group, our network of connections within the construction industry and stable relationship with our other suppliers and subcontractors, as well as the fact that our Group and UNI Real Estate have been operated under substantially the same executive management, our Directors are of the view that the cessation of UNI Real Estate's services as a subcontractor would not have any material impact on our Group's business operations. Accordingly, as at the Latest Practicable Date, there were no ongoing or pending subcontracting arrangements between our Group and UNI Real Estate, and our Directors do not expect that our Group will enter into further subcontracting arrangements with UNI Real Estate in the future.

(ii) Sale of property by our Group to UNI Real Estate

On 24 July 2024, our Group sold to UNI Real Estate the office premises situated at Office No. 1, 11th Floor, Seaview Plaza, No. 283 Shau Kei Wan Road, Hong Kong for a consideration of HK$3,000,000, which was determined having regard to, among other things, the then prevailing market prices of office and commercial properties in the vicinity of the property and the condition and costs of repair of the property. For further details, please refer to the paragraph headed "Business — Properties — Sale of property during Track Record Period" in this document.

Our Directors consider that the business of our Group and that of UNI Real Estate are distinct and clearly delineated from each other in terms of industry sector, customer base and sources of revenue, and that there is no overlap between the respective businesses of our Group and UNI Real Estate. Further, as at the Latest Practicable Date, there were no ongoing transactions between our Group and UNI Real Estate, and our Directors do not expect that further transactions will be entered into between our Group and UNI Real Estate. In particular: (i) UNI Real Estate had ceased to carry on business as a subcontractor of construction works since 31 March 2026 as mentioned hereinabove; and (ii) we have been able to lease our office premises from a lessor which is an Independent Third Parties during the Track Record Period and up to the Latest Practicable Date as set out in the paragraph headed "Business — Properties" in this document, and our Directors expect that we will continue to be able to secure lease(s) of premises required for the operation of our business from Independent Third Parties.

Hence, in view of the significant differences between the scope and nature of the business operations of our Group and that of UNI Real Estate, and taking into account that our Group does not require the services provided by UNI Real Estate for the purpose of carrying on our business, UNI Real Estate has not been injected into our Group.

Our Directors and our Controlling Shareholders confirm that, during the Track Record Period and up to the Latest Practicable Date, save as disclosed in this document: (i) none of our Controlling Shareholders directly or indirectly held beneficial interests in or was a substantial shareholder (as defined in the GEM Listing Rules) of any other company which did not form part of our Group; and (ii) our Group did not have any transactions or business dealings with any companies associated with or controlled by our Controlling Shareholders, and there was no overlapping of business between our Group and our Controlling Shareholders and their respective close associates.

INTEREST IN COMPETING BUSINESS

Each of our Controlling Shareholders confirms that he/she/it had no interest in any other business, apart from the business of our Group, which competes or is likely to compete, either directly or indirectly, with the business of our Group, which would require disclosure under Rule 11.04 of the GEM Listing Rules as of the Latest Practicable Date.

DEED OF NON-COMPETITION

On 24 August 2026, our Controlling Shareholders executed a deed of non-competition (the "**Deed of Non-Competition**") in favour of our Company (for ourselves and each of our subsidiaries), pursuant to which each of our Controlling Shareholders has irrevocably and unconditionally undertaken to and covenanted with our Company (for ourselves and each of our subsidiaries) that, during the Restricted Period (as defined below), among other things, that he/she/it shall not, and shall procure each of his/her/its close associates (other than a member of our Group) not to, directly or indirectly, either on his/her/its own account, in conjunction with, on behalf of, or through any person, firm or company (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise): (i) carry on, engage, participate, acquire, hold, be concerned, or be interested in, or in any way assist in, or provide support (whether financial, technical or otherwise) to, any business similar to or which competes (either directly or indirectly) or is likely to compete with any business from time to time carried on by our Group (including but not limited to providing building demolition works and other construction works services) (each a "**Restricted Business**") in Hong Kong or any other jurisdiction in which our Group may from time to time carry on business; (ii) canvass, solicit, interfere with or endeavour to entice away from our Group any person, firm, company or organisation which to his/her/its knowledge has from time to time or has at any time within the immediate past one year been a customer, a supplier, a subcontractor or a business partner or employee of our Group for the purpose of conducting any Restricted Business; (iii) procure any offers or awards of contracts or orders from or solicit business from any person, firm, company or organisation which to his/her/its knowledge has dealt with any member of our Group, or is in the process of negotiating with any member of our Group, in relation to any Restricted Business; or (iv) make use of any information pertaining to the business of our Group which may have come to his/her/its knowledge in his/her/its capacity as a shareholder of our Company or director of any member of our Group for the purpose of competing with the business of our Group.

Each of our Controlling Shareholders has also represented and warranted to our Company that, as at the date of the Deed of Non-Competition, neither him/her/it nor any of his/her/its close associates (except any member of our Group) was directly or indirectly interested, involved or engaged in (whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) any Restricted Business otherwise than through our Group.

The "**Restricted Period**" as stated in the Deed of Non-Competition refers to the period commencing from the date on which the **[REDACTED]** becomes unconditional and ending on the date on which any of the following events occurs:

(a) the Shares cease to be **[REDACTED]** on the Stock Exchange; or

(b) our Controlling Shareholders and/or their respective close associates cease to be (i) entitled to jointly or severally exercise or control the exercise of not less than 30% in aggregate of the voting rights at general meetings of our Company or (ii) interested or deemed to be interested directly or indirectly in not less than 30% of the Shares in aggregate, provided that (A) our Controlling Shareholders and/or their respective close associates are not entitled jointly or severally to nominate 50% or more of the members of our Board or otherwise control 50% or more of the voting rights or any casting vote of our Board; and (B) none of our Controlling Shareholders and their respective close associates remains a director or chief executive (as defined in the GEM Listing Rules) of our Company.

The above undertakings given by our Controlling Shareholders under the Deed of Non-Competition do not preclude our Controlling Shareholders and their respective close associates from:

(a) holding interests in the shares of any members of our Group;

(b) holding interests in the shares of any company (whether or not listed on any stock exchange) other than a member of our Group, provided that: (i) any Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 5% of that company's consolidated turnover or consolidated assets, as shown in that company's latest audited accounts, and/or the total number of the shares held by our Controlling Shareholders and their respective close associates in aggregate does not exceed 10% of the issued shares of any class of the company in question, and there exists at least one other shareholder of that company whose shareholding in that company is more than the shareholding of our Controlling Shareholders and their respective close associates in aggregate; (ii) our Controlling Shareholders and their respective close associates are not, whether individually or collectively and whether jointly or severally, entitled to appoint or nominate a majority of the directors of that company; and (iii) none of our Controlling Shareholders and their respective close associates participates or is involved (or is entitled to participate or be involved) in the management of that company; or

(c) pursuing or participating in any Restricted Business Opportunities (as defined below) in compliance with the requirements of the Deed of Non-Competition as further described below.

Options for Restricted Business Opportunities

Our Controlling Shareholders have further jointly and severally undertaken to our Company that if any new business, investment or other commercial opportunity relating to any Restricted Business (each a "**Restricted Business Opportunity**") is identified by or made available to any of our Controlling Shareholders or their respective close associates (other than members of our Group) (the "**[REDACTED]**"), such Restricted Business Opportunity shall first be referred to our Group on a timely basis and in the following manner:

(a) our Controlling Shareholders shall, and shall procure their respective close associates (other than members of our Group) to, promptly and in any event within seven business days of receipt of the Restricted Business Opportunity, direct the Restricted Business Opportunity to our Group by giving written notice to our Company containing all information reasonably necessary for our Group to consider whether (i) the Restricted Business Opportunity would constitute a Restricted Business; and (ii) it is in the interest of our Group to pursue the Restricted Business Opportunity, including but not limited to the nature and material terms and conditions of the Restricted Business Opportunity (and, where applicable, the details of the investment or acquisition costs) (the "**[REDACTED] Notice**"); and

(b) the **[REDACTED]** may pursue the Restricted Business Opportunity if, and only if: (i) the **[REDACTED]** has received a written notice from our Company declining the Restricted Business Opportunity and confirming that the Restricted Business Opportunity would not constitute competition or likely competition with the business of our Group; or (ii) no such notice of the decision of our Company is given by us to the **[REDACTED]** within thirty (30) days of the date on which the **[REDACTED]** Notice is given to our Company.

Upon receipt of the **[REDACTED]** Notice, we will seek opinions and decisions from a committee of our Board consisting only our independent non-executive Directors as to: (i) whether the Restricted Business Opportunity constitutes Restricted Business; (ii) whether it is in the interest of our Company and our Shareholders as a whole to take up the Restricted Business Opportunity; and (iii) whether our Group shall take up or decline the Restricted Business Opportunity.

With a view to avoiding competition of businesses between our Group and our Controlling Shareholders, our independent non-executive Directors will review the compliance with and enforcement of the Deed of Non-Competition at least on an annual basis, and the results of such review will be included in our annual report.

Our Controlling Shareholders have further jointly and severally undertaken to:

(i) promptly provide all relevant information for review by our independent non-executive Directors for compliance with and enforcement of the Deed of Non-Competition;

(ii) allow or procure to allow, subject to confidentiality restrictions imposed by any third party, our representatives, our auditors and our compliance adviser (if necessary) to have access to their business, financial and/or corporate records as may be necessary for our independent non-executive Directors to determine whether our Controlling Shareholders and their respective close associates (other than members of our Group) have complied with the Deed of Non-Competition;

(iii) make an annual declaration to be included in our annual report in relation to compliance with the Deed of Non-Competition in accordance with the GEM Listing Rules;

(iv) address such other enquiries as may be made by the Stock Exchange, the SFC, or any other regulatory bodies or our Company from time to time;

(v) comply with the requirements under the relevant laws, rules and regulations of the Stock Exchange and the regulatory bodies having jurisdiction over our Company from time to time in connection with the Deed of Non-Competition and to do all such acts to facilitate our Company to comply with the same; and

(vi) to the extent applicable, abstain from voting in and not be counted as quorum of, any meetings of shareholders and/or board of directors of any member of our Group for consideration and approval of any matters referred to in the Deed of Non-Competition, which have or may give rise to actual or potential conflicts of interest.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having taken into account the following factors, our Directors are satisfied that our Group is capable of carrying on our business independently from our Controlling Shareholders and their respective close associates (other than members of our Group) upon and after the **[REDACTED]**:

Management Independence

Our management and operational decisions are made collectively by our Board and our senior management. Upon **[REDACTED]**, our Board will comprise six Directors, including two executive Directors, one non-executive Director and three independent non-executive Directors. Please refer to the section headed "Directors and Senior Management" of this document for further details.

Save as disclosed below, as at the Latest Practicable Date, none of our Directors or members of our senior management holds any directorship or other position in any of our Controlling Shareholders or their respective close associates (other than any member of our Group):

Name	Directorship/ position in our Group	Position in our Controlling Shareholders and their respective close associates
Lo Cheuk Pui	Executive Director, chairman of our Board and chief executive officer	Director of Legacy Capital Director and company secretary of UNI Real Estate
Lo Siu Kai	Executive Director and site manager	Director of UNI Real Estate
Lo Kam Kenny	Chief technical officer	Director of HonTide Director of UNI Real Estate

Notwithstanding the fact that the above members of our Board and senior management hold overlapping directorships or other positions in our Controlling Shareholders and/or their respective close associates, we are of the view that our Directors and senior management are collectively able to manage our Group's business independently from our Controlling Shareholders and their respective close associates for the following reasons:

(i) as of the Latest Practicable Date, other than Mr. Lo Cheuk Pui and Mr. Lo Siu Kai, who are our executive Directors and Controlling Shareholders, and Mr. Lo Kam Kenny, our chief technical officer and a Controlling Shareholder, none of our other Directors or senior management hold any position or own any interest in our Controlling Shareholders or their respective close associates;

(ii) Mr. Lo Kam Kenny, our chief technical officer, is the founder of our Group, whereas Mr. Lo Cheuk Pui, our executive Director, chairman of our Board and chief executive officer, has served our Group for approximately 28 years since 1998 and Mr. Lo Siu Kai, our executive Director and site manager, has served our Group for over 30 years since 1995. HonTide and Legacy Capital have been established by our Controlling Shareholders as investment holding entities to hold the Shares during the Reorganisation in preparation for the **[REDACTED]** (as set out in further details in the paragraph headed "History, Reorganisation and Corporate Structure — Reorganisation" in this document) and do not carry on any other business activities. Mr. Lo Kam Kenny, Mr. Lo Cheuk Pui and Mr. Lo Siu Kai have a proven track record of being able to manage their respective duties within our Group and UNI Real Estate in which they hold overlapping directorships and/or other positions as set out above, which demonstrates that they have been, and will continue to be, able to devote sufficient time and effort to our Group;

(iii) each Director is aware of his or her fiduciary duties as a director which require, among other things, that he or she acts for the benefit and in the interest of our Company and does not allow any conflict between his duties as a Director and his or her personal interests;

(iv) in case of a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, unless otherwise permitted by the Articles of Association, the interested Director(s) will abstain from voting at the relevant Board meeting in respect of such transaction and will not be counted in the quorum of the relevant meeting of our Board;

(v) our Board has a balanced composition of executive Directors and independent non-executive Directors which ensures the independence of our Board in making decisions affecting our Company. Specifically, (i) our non-executive Director and independent non-executive Directors are not associated with our Controlling Shareholders or any of their respective close associates; (ii) our independent non-executive Directors account for not less than one-third of our Board; and (iii) our non-executive Director and independent non-executive Directors individually and collectively possess the requisite knowledge and experience to provide professional and experienced advice to our Company and bring impartial and sound judgment to the decision-making process of our Board and protect the interest of our Company and our Shareholders as a whole; and

(vi) where a Shareholders' meeting is held to consider a proposed transaction in which any Controlling Shareholder has a material interest, our Controlling Shareholders (being parties acting in concert pursuant to the Acting in Concert Confirmation) shall abstain from voting on the relevant resolutions and shall not be counted towards the quorum for the voting.

Based on the above, our Directors are satisfied that our Board as a whole, together with our senior management, will be able to manage the business and operations of our Group independently of our Controlling Shareholders and their respective close associates.

Operational Independence

Our Company has full authority and rights to make all decisions on, and has our own resources to carry out, our own business operations independently. In particular:

(i) we are not reliant on our Controlling Shareholders and their respective close associates and we have our own access to our suppliers, subcontractors and customers for the provision of services;

(ii) we are the holder of all relevant licences and qualifications which are material to the operation of our business and have sufficient capital, equipment and employees to operate our business independently from our Controlling Shareholders and their respective close associates;

(iii) we have our own administrative and corporate governance infrastructure, including our own accounting, internal control, risk management, administrative and human resources departments;

(iv) our Group does not share with or obtain from our Controlling Shareholders and their respective close associates any operational resources, such as office premises, sales and marketing and general administration resources with our Controlling Shareholders; and

(v) none of our Controlling Shareholders and their respective close associates has any interest which competes or is likely to compete with the business of our Group, and each of our Controlling Shareholders has executed a Deed of Non-Competition in favour of our Company as disclosed above.

In light of the above, our Directors consider that we are operationally independent from our Controlling Shareholders and their respective close associates.

Financial independence

Our group has its independent financial management system, internal control and accounting systems, independent treasury function for cash receipts and payments, and the ability to operate independently from our Controlling Shareholders from a financial perspective. We can make financial decisions independently, and our Controlling Shareholders (other than Mr. Lo Cheuk Pui and Mr. Lo Siu Kai in their capacity as executive Directors) and their respective close associates do not interfere with our use of funds. In addition, we maintain and manage bank accounts independently and our Controlling Shareholders and their respective close associates do not share any bank accounts with our Group.

Our Directors confirm that, as at the Latest Practicable Date, save as disclosed in this section and the paragraph headed "Financial Information — Indebtedness" in this document, our Controlling Shareholders have not provided any other guarantee or loan to our Group, and all intra-group loans and guarantees provided by our Controlling Shareholders and/or their respective close associates to our Group will be fully settled and discharged before the **[REDACTED]**.

Our Directors believe that our Group has sufficient capital for our financial needs without dependence on our Controlling Shareholders, in view of our Group's internal resources and the estimated net **[REDACTED]** from the **[REDACTED]**. Our Directors also believe that, upon **[REDACTED]**, our Group will be capable of obtaining financing from external sources independently without the need of any guarantee or security provided by our Controlling Shareholders and their respective close associates after the **[REDACTED]**, which enables our Group to maintain financial independence from our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the CG Code, which sets out principles of good corporate governance in relation to, among other things, Board composition, the appointment, re-election and removal of Directors, their responsibilities and remuneration and communications with Shareholders.

Each of our Controlling Shareholders has also confirmed that he/she/it fully comprehends his/her/its obligations to act in the best interests of our Company and the Shareholders as a whole. We will adopt the following corporate governance measures to manage potential conflict of interests between our Group and our Controlling Shareholders:

(i) our Board will ensure that any material conflict or potential conflict of interests involving our Controlling Shareholders will be reported to our independent non-executive Directors as soon as practicable;

(ii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors (or their respective close associates), the interested Directors shall abstain from voting at the relevant Board meeting and shall not be counted in the quorum;

(iii) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or their respective associates has/have a material interest, our Controlling Shareholders shall not vote on the resolutions and shall not be counted in the quorum for the voting;

(iv) our Company has established internal control mechanisms to identify connected transactions. Upon **[REDACTED]**, if our Company enters into connected transactions with our Controlling Shareholders or their respective associates, our Company will comply with the relevant provisions of the GEM Listing Rules, including, where appropriate, the reporting, annual review, announcement and independent Shareholders' approval requirements;

(v) our Board will consist of a balanced composition of executive and non-executive Directors, including not less than one-third of independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and

provide independent advice to our Shareholders. Our non-executive Directors (including independent non-executive Directors), details of whom are set out in the section headed "Directors and Senior Management" in this document, individually and together possess the requisite knowledge and experience. Our non-executive Directors (including independent non-executive Directors) will review whether there is any conflict of interests between our Group and our Controlling Shareholders annually and provide impartial and professional advice to protect the interest of our Company and the Shareholders as a whole;

(vi) each of our Controlling Shareholders will make an annual confirmation as to compliance with his/her/its undertakings under the Deed of Non-Competition for inclusion in the annual report of our Company, and our Controlling Shareholders have undertaken to provide all information requested by our Group which is necessary for the annual review by our non-executive Directors (including independent non-executive Directors) and the enforcement of the Deed of Non-Competition;

(vii) in the event that non-executive Directors (including independent non-executive Directors) are requested to review any conflicts of interests circumstances between our Group and our Controlling Shareholders, our Controlling Shareholders and/or our Company shall provide our non-executive Directors with all necessary information and our Company shall disclose the decisions of the non-executive Directors (including why business opportunities referred to it by our Controlling Shareholders were not taken up) either in its annual report or by way of announcements;

(viii) where the advice from independent third-party professionals, such as that from legal or financial advisors, is reasonably requested by our Directors (including our non-executive Directors), the appointment of such independent third-party professionals will be made at our Company's expenses; and

(ix) we have appointed Patrons Capital Limited as our compliance adviser, which will provide advice and guidance to us in respect of compliance with the applicable laws and the GEM Listing Rules including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders, and to protect the interests of our Company and the Shareholders as a whole after the **[REDACTED]**.

SUMMARY OF DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Present position	Date of appointment as Director/senior management	Date/year of joining our Group	Principal responsibilities	Relationship with other Director(s), and/or senior management
Executive Directors						
Mr. Lo Cheuk Pui (勞焯培)	47	Executive Director, chairman and chief executive officer	19 August 2026	January 1998	Overall management and formulation of business strategies of our Group	Son of Mr. Lo Kam Kenny and Ms. Mak Wai Chun, and brother of Mr. Lo Siu Kai
Mr. Lo Siu Kai (勞紹佳)	51	Executive Director and site manager	19 August 2026	February 1995	Project management and site supervision	Son of Mr. Lo Kam Kenny and Ms. Mak Wai Chun, and brother of Mr. Lo Cheuk Pui
Non-executive Director						
Mr. Chan Ming Cheung Ivan (陳銘章)	40	Non-executive Director	19 August 2026	19 August 2026	Overall corporate strategies and development of our Group	None
Independent non-executive Directors						
Mr. Ng Kwok Sing (吳國勝)	68	Independent non-executive Director	[●]	[●]	Providing independent advice to our Board	None
Ms. Wong Man Ming Melinda (黃敏明)	52	Independent non-executive Director	[●]	[●]	Providing independent advice to our Board	None
Mr. Yue Ming Wai Bonaventure (余銘維)	59	Independent non-executive Director	[●]	[●]	Providing independent advice to our Board	None
Senior management						
Ms. Chong Po Yan (莊寶欣)	35	General manager	1 January 2026	October 2016	Administration and human resources of our Group	None
Mr. Lo Kam Kenny (勞鑑)	84	Chief technical officer	1 July 2026	May 1993	Overall technical consultancy for our Group	Spouse of Ms. Mak Wai Chun, and father of Mr. Lo Siu Kai and Mr. Lo Cheuk Pui
Mr. Wun Chun Yip (尹駿業)	51	Financial controller and company secretary	1 August 2026	March 2026	Financial management and secretarial affairs of our Group	None

DIRECTORS

Our Board consists of six Directors, comprising two executive Directors, one non-executive Director and three independent non-executive Directors.

Executive Directors

Mr. Lo Cheuk Pui (勞焯培), aged 47, joined our Group in January 1998, was appointed as a Director on 19 August 2026 and was re-designated as an executive Director on [●]. Mr. Lo Cheuk Pui also serves as the chairman of our Board and the chief executive officer of our Group. He is primarily responsible for the overall management and formulation of business strategies of our Group. He is the chairman of our nomination committee. Mr. Lo Cheuk Pui is also a director of our subsidiaries, namely Riseship Construction and Power Construction. He is the son of Mr. Lo Kam Kenny and Ms. Mak Wai Chun, and the brother of Mr. Lo Siu Kai. Mr. Lo Cheuk Pui is one of our Controlling Shareholders.

Mr. Lo Cheuk Pui began his career as a project coordinator of Riseship Construction in January 1998 and has accumulated over 28 years of experience in the construction and demolition industry. Since January 2006, he has been overseeing our Group's daily operations, project execution, client management and corporate development as senior management.

Mr. Lo Cheuk Pui has been actively involved in industry and public services. He has been the president of Hong Kong General Building Contractors Association since July 2024 and has served in various capacities in the Construction Industry Council, such as being a member of the Construction Workers Registration Board, the Committee on Smart Construction, and the Construction Innovation and Technology Application Centre Management Board.

He is also a member of the Technical Committee on the Code of Practice for Demolition of Buildings and the Registered Contractors' Disciplinary Board Panel of the Buildings Department, the Construction Industry Safety & Health Committee of the Occupational Safety and Health Council, and the Building, Civil Engineering and Built Environment Training Board of the Vocational Training Council.

In addition, Mr. Lo Cheuk Pui has taken up leadership roles in community organisations, including serving as president of Zone 7 of the Lions Club (International District 303 Hong Kong & Macau) from 2022 to 2023 and having served as the secretary of Hong Kong Lo Pan Kwong Yuet Tong since August 2022.

Mr. Lo Siu Kai (勞紹佳), aged 51, joined our Group in February 1995, was appointed as a Director on 19 August 2026 and was re-designated as an executive Director on [●]. Mr. Lo Siu Kai is also the site manager of our Group and is responsible for project management and on-site supervision of our Group's projects. He is also a director of one of our subsidiaries, namely Power Construction. Mr. Lo Siu Kai is the son of Mr. Lo Kam Kenny and Ms. Mak Wai Chun, and the brother of Mr. Lo Cheuk Pui.

Mr. Lo Siu Kai has over 30 years of experience in the construction and demolition industry. He joined Riseship Construction in February 1995 as a site foreman and was promoted to site supervisor in September 1999 and project manager in August 2002, a position he has held since then. In these roles,

he has been responsible for supervising site operations, coordinating project execution, monitoring work progress and quality, and overseeing safety and compliance at sites, and has accumulated practical experience in our Group's projects.

Non-executive Director

Mr. Chan Ming Cheung Ivan (陳銘章), aged 40, was appointed as a Director on 19 August 2026 and was re-designated as a non-executive Director on [●]. Mr. Chan is primarily responsible for advising on our corporate strategies and development. Mr. Chan is a member of our remuneration committee.

Mr. Chan has over 12 years of experience in auditing, accounting and financial advisory services. He has been the director of Sidus CPA Limited since 2018. Prior to that, he had worked at certified public accountants' firms, including Ernst & Young, where he accumulated experience in auditing listed and private companies and was involved in taxation and financial advisory assignments.

Mr. Chan obtained a Bachelor of Business Administration (Honours) degree in Accountancy and Law from City University of Hong Kong in 2009. He has became a member of the Hong Kong Institute of Certified Public Accountants since 2014 and a practising member since 2017, and has been a member of the Institute of Chartered Accountants in England and Wales since 2020.

Independent non-executive Directors

Mr. Ng Kwok Sing (吳國勝), aged 68, was appointed as a Director on [●] and was re-designated as an independent non-executive Director on [●]. Mr. Ng is a member of our audit committee and the chairman of our remuneration committee.

Mr. Ng has over 40 years of experience in the construction industry. Since 1982, he has served as the director of Sang Kee (Ng Sze) Construction Company Limited, overseeing its overall management and business operations.

Mr. Ng served as president of the Hong Kong General Building Contractors Association from 2003 to 2007. He then served on its board of directors from 2007 to 2024, and has held the position of permanent honourary president since 2007.

Ms. Wong Man Ming Melinda (黃敏明), aged 52, was appointed as a Director on [●] and was re-designated as an independent non-executive Director on [●]. Ms. Wong is a member of our audit committee and nomination committee.

Ms. Wong has over 19 years of experience in accounting, corporate finance and regulatory compliance. Between April 2003 and August 2011, she worked at various companies and licensed institutions principally engaged in the provision of corporate finance and related advisory services. From August 2011 to January 2019, Ms. Wong worked as an assistant vice president in the Listed Issuer Regulation, Listing & Regulatory Affairs Division of Hong Kong Exchanges and Clearing Limited, primarily responsible for monitoring listed issuers' compliance with the listing rules. From January 2019 to September 2022, she rejoined Optima Capital Limited as a director in the corporate finance department.

From October 2023 to February 2025, Ms. Wong acted as a non-executive director of PT International Development Corporation Limited, a company listed on the Main Board of the Stock Exchange (stock code: 372). She was redesignated as an executive director and a non-executive director on 26 February 2025 and 26 July 2025 respectively. She has also served as an independent non-executive director of KWG Group Holdings Limited, a company listed on the Main Board of the Stock Exchange, since 1 April 2024 (stock code: 1813).

Ms. Wong obtained a Bachelor's degree in Business Administration (Accounting) from Washington State University in 1999 and was formerly a certified public accountant in the State of Washington, the United States. She is a regular member of the American Institute of Certified Public Accountants.

Mr. Yue Ming Wai Bonaventure (余銘維), aged 59, was appointed as a Director on [●] and was re-designated as an independent non-executive Director on [●]. Mr. Yue is a member of our remuneration committee and nomination committee, and the chairman of our audit committee.

Mr. Yue has over 33 years of experience in accounting, finance and corporate governance. Between July 1990 and April 2008, he held various positions, including as accountant, chief financial officer and financial controller, at a number of companies, where he was principally engaged in accounting and corporate advisory work. From April 2008 to July 2020, Mr. Yue served in various capacities at China Natural Resources, Inc., a company listed on NASDAQ, including as executive director, chief financial officer and corporate secretary. From January 2014 to December 2025, he also held various roles at Feishang Anthracite Resources Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1738), including as executive director, chief financial officer and company secretary. Mr. Yue has been an independent non-executive director of A.Plus Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1841, previously listed on GEM under stock code: 8251) from April 2016 to August 2024, and since 29 August 2025.

Mr. Yue obtained a Bachelor of Business Administration (Honours) degree in Accounting from Hong Kong Baptist University in 1990 and a Master of Science degree in Accounting and Finance from the University of Manchester in 1994. He has been a fellow member of the Hong Kong Institute of Certified Public Accountants and the Hong Kong Chartered Governance Institute since 2002 and 2005 respectively, a certified public accountant accredited in business valuation in the United States of America, a member of the Chartered Accountants Australia & New Zealand, and a fellow member of the Institute of Chartered Accounts of England and Wales.

DISCLOSURE OF RELATIONSHIPS AS REQUIRED UNDER RULE 17.50(2) OF THE GEM LISTING RULES

Save as disclosed above, each of our Directors (i) did not hold other positions in the Company or other members of our Group as at the Latest Practicable Date; (ii) had no other relationship with any Directors, senior management or Substantial Shareholders of the Company as at the Latest Practicable Date; (iii) did not hold any other directorships in public companies of which the securities are listed on any securities market in Hong Kong and/or overseas in the three years immediately prior to the Latest Practicable Date; and (iv) did not have any interests in any business apart from business of our Group which competes or is likely to compete, either directly or indirectly, with business of our Group. As at the Latest Practicable Date, save as disclosed in the section headed "Substantial Shareholders" and the

sub-section headed "Statutory and General Information — C. Further information about Directors, management and staff" in Appendix IV to this document, each of our Directors did not have any interest in our Shares within the meaning of Part XV of the SFO.

Please refer to Appendix IV to this document for further information about our Directors, including details of the interests of our Directors in the Shares and underlying shares of the Company (within the meaning of Part XV of the SFO) and particulars of their service contracts/letters of appointment and remunerations. Except as disclosed in this document, each of our Directors has confirmed that there is no other matter relating to his/her appointment as a Director that needs to be brought to the attention of our Shareholders and there is no information which is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules.

Each of our Directors confirmed that he/she (a) obtained the legal advice referred to under the GEM Listing Rules on 6 August 2026, as regards the requirements under the GEM Listing Rules that are applicable to him/her as a Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange; and (b) understood his/her obligations as a director of a **[REDACTED]** under the GEM Listing Rules.

Each of our independent non-executive Directors (a) confirmed that he has satisfied all the criteria for independence set out in Rule 5.09 of the GEM Listing Rules; (b) confirmed that he had no past or present financial or other interest in the business of the Company or our subsidiaries or any connection with any core connected person of the Company under the GEM Listing Rules as at the Latest Practicable Date; (c) confirmed that there are no other factors that may affect his independence at the time of his appointment; and (d) provided confirmation of independence to the Company.

SENIOR MANAGEMENT

Ms. Chong Po Yan (莊寶欣), aged 35, is the general manager of our Group and is responsible for overall administration and human resources of our Group.

Ms. Chong has over ten years of experience in the construction sector, with experience in operations, administration and personnel management. She joined Riseship Construction in October 2016 and was promoted as a general manager in January 2026. She is responsible for administrative and human resources functions, including but not limited to human resources management, corporate compliance and coordination with external professional parties.

Ms. Chong obtained a Bachelor of Arts (Honours) degree in Business Administration and Management from De Montfort University in 2019. She also holds certificates in secretarial and administrative practices and ISO quality management systems (internal audit and application).

Mr. Lo Kam Kenny (勞鑑), aged 84, is the chief technical officer of our group and is primarily responsible for providing technical consultancy to our Group. He is a director of one of our subsidiaries, namely Riseship Construction. He is the spouse of Ms. Mak Wai Chun, and the father of Mr. Lo Siu Kai and Mr. Lo Cheuk Pui. Mr. Lo Kam Kenny is one of our Controlling Shareholders.

Mr. Lo Kam Kenny began his career in the construction industry in 1957 and has accumulated over 60 years of experience. From 1972 to 1989, he worked as a site foreman for a number of construction companies. After gaining years of experience in the industry, Mr. Lo Kam Kenny started his own business and was the sole proprietor of Riseship Engineering Co. from 1989 to 1993. In May 1993, he founded our Group and established Riseship Construction, which was the first subsidiary of our Group. Since founding our Group, Mr. Lo Kam Kenny has been overseeing various aspects of our Group's business and has led our Group to gradually expand its business.

Mr. Lo Kam Kenny is one of the founding members and currently an honourary advisor of the Hong Kong General Building Contractors Association. He was the honourary president of the Executive Committee of the Scout Association of Hong Kong (East Kowloon Region) from 2024 to 2025 and the director of Hong Kong Lo Pan Kwong Yuet Tong from 2014 to 2022.

Mr. Wun Chun Yip (尹駿業), aged 51, is the financial controller of our Group and the company secretary of the Company. He joined our group in March 2026 and is responsible for the overall financial management of our Group. Mr. Wun has over 28 years of experience in accounting, finance, corporate governance and company secretarial matters, with experience in working in listed companies in Hong Kong.

Mr. Wun started his career in the audit industry at Louis Y.C. Fung & Company C.P.A. Limited in 1998. He served in director, senior finance and company secretarial roles at various companies, including those currently or formerly listed on the Main Board or GEM of the Stock Exchange and/or their subsidiaries between 2000 and 2025, such as Man Sang International Limited (stock code: 938), Hao Wen Holdings Limited (stock code: 8019), Power Pond Limited (wholly owned by China National Culture Group Limited (formerly known as China Railsmedia Corporation Limited) (stock code: 745)) and Jiading International Group Holdings Limited (formerly known as Code Agriculture (Holdings) Limited) (stock code: 8153). Mr. Wun was appointed as the Manager of Golden Trump Limited in June 2025.

Mr. Wun obtained a Bachelor of Commerce degree from the University of Melbourne, Australia in 1998 and a Master of Business Administration degree from the University of Adelaide, Australia in 2008. He became a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia in 2006 and 2003 respectively.

Save as disclosed above, each of our senior management has not held directorships in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

COMPANY SECRETARY

Mr. Wun Chun Yip is our company secretary for the purposes of Rule 11.07 of the GEM Listing Rules. For details of his background and experience, please refer to the paragraph headed "Senior management" above in this section.

BOARD COMMITTEES

Audit Committee

Our Company established an audit committee on [●] with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision D.3.3 of Part 2 of the CG Code. The primary duties of our audit committee are, among others, to make recommendations to our Board on the appointment, reappointment and removal of external auditor, review the financial statements and material advice in respect of financial reporting, oversee the financial reporting process, internal control, risk management systems and audit process of the Company and perform other duties and responsibilities assigned by our Board.

At present, our audit committee comprises Mr. Ng Kwok Sing, Mr. Yue Ming Wai Bonaventure, and Ms. Wong Man Ming Melinda. Mr. Yue Ming Wai Bonaventure is the chairperson of our audit committee.

Remuneration Committee

Our Company established a remuneration committee on [●] with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and code provision E.1.2 of Part 2 of the CG Code. The primary duties of our remuneration committee are to review and approve the management's remuneration proposals, make recommendations to our Board on the remuneration package of our Directors and senior management and ensure none of our Directors determine their own remuneration.

At present, our remuneration committee comprises Mr. Chan Ming Cheung Ivan, Mr. Ng Kwok Sing, Mr. Yue Ming Wai Bonaventure, and Ms. Wong Man Ming Melinda. Mr. Ng Kwok Sing is the chairperson of our remuneration committee.

Nomination Committee

Our Company established a nomination committee on [●] with written terms of reference in compliance with Rule 5.36A of the GEM Listing Rules and code provision B.3.1 of Part 2 of the CG Code. The primary duties of our nomination committee are, among others, to review the structure, size and composition of our Board, and select or make recommendations on the selection of individuals nominated for directorships.

At present, our nomination committee comprises Mr. Lo Cheuk Pui, Mr. Yue Ming Wai Bonaventure and Ms. Wong Man Ming Melinda. Mr. Lo Cheuk Pui is the chairperson of our nomination committee.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group so as to achieve effective accountability.

Pursuant to code provision C.2.1 of the CG Code, the responsibilities between the chairperson and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairperson of the Board and chief executive officer, and Mr. Lo Cheuk Pui currently performs these two roles. In view of Mr. Lo Cheuk Pui's substantial contribution to and stewardship of our Group, over 28 years of experience in the construction and demolition industry, our Board believes that vesting the roles of both chairperson and chief executive officer in Mr. Lo Cheuk Pui has the benefit of ensuring strong, stable and consistent leadership within our Group and enables prompt and effective overall strategic planning and decision-making, as well as facilitating the execution of our Group's business operations. We consider it appropriate and beneficial to our business development and prospects that Mr. Lo Cheuk Pui continues to act as both the chairman of our Board and the chief executive officer of the Company after the **[REDACTED]**, and therefore do not currently propose to separate the functions of the chairperson and the chief executive officer.

To ensure sound corporate governance and maintain appropriate balance of power given the overlapping roles of Mr. Lo Cheuk Pui, we will (i) ensure there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises three independent non-executive Directors with diverse expertise in areas such as finance, legal compliance and industry operations, which offers independent input and judgment from their respective field of expertise and is in compliance with the requirements under the GEM Listing Rules; (ii) maintain oversight through our Board committees, including the audit committee, remuneration committee and nomination committee; (iii) continue to ensure that the overall strategic and other key business, financial and operational policies of our Group are made collectively after thorough discussion at both Board and senior management levels, and (iv) permit our independent non-executive Directors, where they consider necessary, to convene meetings without the presence of executive Directors, and to discuss any concerns regarding the management and governance of our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively given that (i) Mr. Lo Cheuk Pui and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and will make decisions of our Group accordingly; and (ii) the balance of power and authority is ensured by the operations of our Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of our Group. Our Board will continue to review and consider splitting the roles of chairperson of our Board and chief executive officer of our Company at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

Save as disclosed above, our Company expects to comply with the CG Code. Our Directors will review our corporate governance policies and compliance with the CG Code each financial year.

BOARD DIVERSITY POLICY

Our Company has adopted a board diversity policy which sets out the approach of which our Board could achieve and maintain an appropriate balance of diversity perspectives that are relevant to our business growth. Our Company recognises the benefits of having a diversified Board. In summary, our board diversity policy sets out that when considering the nomination and appointment of a director, with the assistance of our nomination committee, our Board would consider a number of factors, including but not limited to the skills, knowledge, professional experience and qualifications, cultural and

educational background, age, gender and the candidate's independence and potential contributions, in order to better serve the needs and development of our Group. All Board appointments will be based on merits and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

Due to the industry nature of our business and the prevailing gender dominance in the construction industry, our Board currently comprises five male Directors and one female Director, whereas our senior management comprises two male members and one female member. Our Company values gender diversity and will continue to take steps to promote gender diversity at all levels and to develop a pipeline of potential successors, including but without limitation at our Board. Going forward, we will take steps to promote gender diversity at all levels of our Group by recruiting staff of different gender and consider the possibility of nominating female management staff who has the necessary skills and experience to our Board.

Our nomination committee is responsible for ensuring the diversity of our Board. After the **[REDACTED]**, our nomination committee will review the board diversity policy from time to time to ensure its continued effectiveness and the implementation of the board diversity policy will be disclosed in our corporate governance report on an annual basis.

COMPLIANCE ADVISER

Our Company has appointed Patrons Capital Limited as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules and the compliance adviser will advise us in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction under the GEM Listing Rules, is contemplated, including share issues, sales or transfer of treasury shares and share repurchases;

(iii) where we propose to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate (if any) or other information in this document; and

(iv) where the Stock Exchange makes an inquiry to us regarding unusual movements in the price or trading volume of our **[REDACTED]** securities or other matters in accordance with Rule 17.11 of the GEM Listing Rules.

The term of the appointment shall commence on the **[REDACTED]** and end on the date which we distribute our annual report of our financial results for the first full financial year commencing after the **[REDACTED]**, unless otherwise agreed.

REMUNERATION POLICY

Our Directors and senior management receive compensation in the form of salaries, benefits in kind and discretionary bonuses related to their performance. Our Group also reimburses them for expenses which are necessarily and reasonably incurred in relation to all business and affairs carried out by our Group from time to time or for providing services to our Group or executing their functions in relation to our Group's business and operations. Our Group regularly reviews and determines the remuneration and compensation package of our Directors and senior management by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of our Directors and performance of our Group.

After the **[REDACTED]**, our Directors and senior management may also receive options to be granted under the **[REDACTED]**.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

For each of FY2025, FY2026 and 3M2026, the aggregate remuneration including basic salaries, allowance, other benefits and contribution to retirement benefit scheme, paid to our Directors by our Group was approximately HK$1.3 million, HK$2.4 million and HK$0.5 million, respectively.

For each of FY2025, FY2026 and 3M2026, the aggregate remuneration including basic salaries, allowance, other benefits and contribution to retirement benefit scheme, paid to our five highest paid individuals (including our Directors) by our Group was approximately HK$1.5 million, HK$1.8 million and HK$0.4 million, respectively.

Save as disclosed above, during the Track Record Period, (i) no other emoluments have been paid, or are payable, by our Group to our Directors and our five highest paid individuals; (ii) no remuneration was paid by our Group to, or received by, our Directors or our five highest individuals as an inducement to join or upon joining our Group or as compensation for loss of office; and (iii) none of our Directors waived or agreed to waive any remuneration. For additional information on our Directors' remuneration during the Track Record Period as well as information on our five highest paid individuals, please refer to the Accountants' Report set out in Appendix I to this document.

Under the arrangements currently in force, we estimate that the aggregate remuneration payable to, and benefits in kind receivable by, our Directors for FY2027 will be approximately HK$2.4 million. Upon **[REDACTED]** of the **[REDACTED]**, our Remuneration Committee will make recommendations on the remuneration of our Directors taking into account the performance of our Directors and market standards and the remuneration will be subject to approval by our Shareholders. Accordingly, the historical remuneration to our Directors during the Track Record Period may not reflect the future levels of remuneration of our Directors.

[REDACTED]

Our Company has conditionally adopted the **[REDACTED]**. Further information on the **[REDACTED]** is set forth in the paragraph headed "D. **[REDACTED]**" in Appendix IV to this document.

So far as our Directors are aware, immediately following the **[REDACTED]** of the **[REDACTED]** (without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of the **[REDACTED]** and **[REDACTED]**), the following persons will have an interest or a short position in the Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the issued voting shares of our Company or any other member of our Group:

Interest in the Shares

		Immediately before [REDACTED] of the [REDACTED] *(Note 2)*		**Immediately after [REDACTED] of the [REDACTED]** *(Note 3)*	
Name	**Capacity/nature of interest** *(Note 4)*	**Number of Shares held**	**Approximate percentage of shareholding in our Company**	**Number of Shares held**	**Approximate percentage of shareholding in our Company**
HonTide *(Note 4)*	Beneficial owner; concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a) of the SFO	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Legacy Capital *(Note 4)*	Beneficial owner; concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a) of the SFO	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Lo Cheuk Pui *(Notes 4 and 6)*	Interest in controlled corporation; concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a) of the SFO	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

		Immediately before [REDACTED] of the [REDACTED] *(Note 2)*		Immediately after [REDACTED] of the [REDACTED] *(Note 3)*	
Name	**Capacity/nature of interest** *(Note 4)*	**Number of Shares held**	**Approximate percentage of shareholding in our Company**	**Number of Shares held**	**Approximate percentage of shareholding in our Company**
Mr. Lo Kam Kenny *(Notes 4, 5 and 7)*	Interest in controlled corporation; concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a) of the SFO, interest of spouse	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ms. Mak Wai Chun *(Notes 4, 5, and 7)*	Interest in controlled corporation; concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a) of the SFO; interest of spouse	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Lo Siu Kai *(Notes 4 and 5)*	Interest in controlled corporation, concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a) of the SFO	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Lo Siu Tong *(Notes 4 and 5)*	Interest in controlled corporation, concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a) of the SFO	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ms. Zhou LinXia *(Note 8)*	Interest of spouse	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ms. Ho Pui Sze *(Note 9)*	Interest of spouse	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ms. Wu Ying Ki *(Note 10)*	Interest of spouse	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

1. All interests stated are long positions in the Shares.

2. The Company was incorporated subsequent to the Latest Practicable Date on 19 August 2026.

3. Assuming the **[REDACTED]** is not exercised.

4. On 24 August 2026, Mr. Lo Cheuk Pui, Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong entered into the Acting in Concert Confirmation to acknowledge, agree and confirm, among other things, that they were and had been parties acting in concert in respect of each of the members of our Group since the date on which they first became the registered owners of the shares of any member of our Group and would continue to be parties acting in concert until the Acting in Concert Confirmation was terminated or revoked in accordance with its terms. Details of the Acting in Concert Confirmation are set out in the section headed "Relationship with our Controlling Shareholders — Acting in Concert Confirmation" of this document. Accordingly, by virtue of Part XV of the SFO and pursuant to the Acting in Concert Confirmation, HonTide (being collectively owned by Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong), Legacy Capital (being wholly owned by Mr. Lo Cheuk Pui), Mr. Lo Cheuk Pui, Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong, being our Controlling Shareholders, are all deemed to be interested in the total number of Shares held by HonTide and Legacy Capital.

5. As at the Latest Practicable Date, the issued share capital of HonTide is legally and beneficially owned as to 42.4%, 3.6%, 36.0% and 18.0% by Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong, respectively. Pursuant to the Acting in Concert Confirmation and Part XV of the SFO, each of Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong is deemed to be interested in the Shares in which HonTide is interested.

6. As at the Latest Practicable Date, the entire issued share capital of Legacy Capital is legally and beneficially owned by Mr. Lo Cheuk Pui. Mr. Lo Cheuk Pui is deemed to be interested in the Shares in which Legacy Capital is interested by virtue of Part XV of the SFO.

7. Ms. Mak Wai Chun is the spouse of Mr. Lo Kam Kenny. By virtue of Part XV of the SFO, (i) Ms. Mak Wai Chun is deemed to be interested in the Shares in which Mr. Lo Kam Kenny is interested or deemed to be interested; and (ii) Mr. Lo Kam Kenny is deemed to be interested in the Shares in which Ms. Mak Wai Chun is interested or deemed to be interested.

8. Ms. Zhou LinXia is the spouse of Mr. Lo Siu Tong and is deemed to be interested in the Shares in which Mr. Lo Siu Tong is interested or deemed to be interested by virtue of Part XV of the SFO.

9. Ms. Ho Pui Sze is the spouse of Mr. Lo Siu Kai and is deemed to be interested in the Shares in which Mr. Lo Siu Kai is interested or deemed to be interested by virtue of Part XV of the SFO.

10. Ms. Wu Ying Ki is the spouse of Mr. Lo Cheuk Pui and is deemed to be interested in the Shares in which Mr. Lo Cheuk Pui is interested or deemed to be interested by virtue of Part XV of the SFO.

Save as disclosed above, our Directors are not aware of any other person who will, immediately following the **[REDACTED]** of the **[REDACTED]** (without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of the **[REDACTED]** and **[REDACTED]**), have interests and/or short positions in the Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who will be, directly or indirectly, interested in 10% or more of the issued voting shares of our Company or any other member of our Group.

SHARE CAPITAL

The following is a description of the share capital of our Company immediately before the **[REDACTED]** and the share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately following the **[REDACTED]**, without taking into account any Shares which may be issued upon the exercise of the **[REDACTED]** and any options which may be granted under the **[REDACTED]**:

Authorised share capital		*HK$*
10,000,000,000	Shares of HK$0.01 each	100,000,000
Issued and to be issued, fully paid or credited as fully paid		
[REDACTED]	Shares in issue immediately before the **[REDACTED]**	**[REDACTED]**
[REDACTED]	Shares to be **[REDACTED]** pursuant to the **[REDACTED]**	**[REDACTED]**
[REDACTED]	Shares in total immediately upon the **[REDACTED]**	**[REDACTED]**

ASSUMPTIONS

The above table assumes that the **[REDACTED]** becomes unconditional and the **[REDACTED]** of Shares pursuant thereto is made as described herein. It takes no account of Shares which may be allotted and issued upon the exercise of the **[REDACTED]** and **[REDACTED]** or any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandates for the allotment and issue or repurchase of Shares granted to our Directors as referred to below or otherwise.

MINIMUM [REDACTED]

Pursuant to Rule 11.23(7) of the GEM Listing Rules, where the expected market value at the time of listing does not exceed HK$**[REDACTED]**, at least **[REDACTED]**% of the total issued share capital of our Company (excluding treasury shares) must at all times be held by the **[REDACTED]** (as defined in the GEM Listing Rules).

The **[REDACTED]** represent **[REDACTED]**% of the total issued share capital of our Company upon the **[REDACTED]** (as enlarged by the Shares **[REDACTED]** under the Shares **[REDACTED]** under the **[REDACTED]**, without taking into account any Shares which may be allotted and issued upon the exercise of the **[REDACTED]**).

RANKING

The **[REDACTED]** will be ordinary shares of our Company and will rank *pari passu* in all respects with all the Shares in issue or to be **[REDACTED]** as mentioned in this document and will qualify for all dividends and other distributions declared, paid or made on the Shares in respect of a record date which falls after the **[REDACTED]**.

[REDACTED]

Our Company has conditionally adopted the **[REDACTED]** on [●]. The principal terms of the **[REDACTED]** are summarised in the section headed "Statutory and General Information — D. **[REDACTED]**" in Appendix IV to this document. As at the Latest Practicable Date, no option has been granted or agreed to be granted under the **[REDACTED]**.

GENERAL MANDATE TO ISSUE SHARES

Subject to the **[REDACTED]** becoming unconditional, our Directors have been granted a general and unconditional mandate to allot, issue and deal with Shares with a total number not exceeding:

(a) 20% of the total number of Shares in issue (excluding treasury shares) immediately following the **[REDACTED]** of the **[REDACTED]** (without taking into account of any Shares which may be allotted and issued by our Company pursuant to the exercise of the **[REDACTED]** and **[REDACTED]**); and

(b) the total number of Shares repurchased by our Company (if any) pursuant to the general mandate to repurchase Shares as described below.

Our Directors may, in addition to the Shares which they are authorised to issue under the mandate, allot, issue and deal in the Shares pursuant to a rights issue, an issue of Shares pursuant to the exercise of subscription rights attaching to any warrant of our Company, scrip dividends or similar arrangements providing for the issue and allotment of Shares in lieu of the whole or part of any cash dividend or option to be granted under the **[REDACTED]** or any other **[REDACTED]** or similar arrangement for the time being adopted or such other issue of Shares or other securities of our Company as permitted under the GEM Listing Rules.

This mandate shall remain in effect until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of our Company;

(b) the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any other applicable laws of the Cayman Islands; or

(c) the passing of an ordinary resolution of our Shareholders in a general meeting revoking, varying or renewing such mandate.

For further details of the general mandate to allot and issue Shares, please refer to the section headed "Statutory and General Information — A. Further information about our Company — 3. Written resolutions of our Shareholders passed on [●]" in Appendix IV to this document.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the **[REDACTED]** becoming unconditional, our Directors have been granted a general and unconditional mandate to exercise all the powers of our Company to repurchase Shares on **[REDACTED]** or on any other stock exchange on which the securities of our Company may be **[REDACTED]** and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent not more than 10% of the total number of Shares in issue (excluding treasury shares) immediately following the **[REDACTED]** of the **[REDACTED]** (without taking into account of any Shares which may be allotted and issued by our Company pursuant to the exercise of the **[REDACTED]** and **[REDACTED]**).

This mandate relates only to repurchases made on **[REDACTED]** or on any other stock exchange on which the Shares are **[REDACTED]** (and which is recognised by the SFC and the Stock Exchange for this purpose), and which are made in accordance with all applicable laws and the GEM Listing Rules. A summary of the relevant GEM Listing Rules is set out in the paragraphs headed "Statutory and General Information — A. Further information about our Company — 6. Repurchase by our Company of its own securities" in Appendix IV to this document.

This mandate shall remain in effect until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of our Company;

(b) the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any other applicable laws of the Cayman Islands; or

(c) the passing of an ordinary resolution of our Shareholders in a general meeting revoking, varying or renewing such mandate.

For further details of the general mandate for the repurchase of Shares, please refer to the section headed "Statutory and General Information — A. Further information about our Company — 3. Written resolutions of our Shareholders passed on [●]" in Appendix IV to this document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

Our Company has only one class of Shares, namely ordinary Shares, each of which carries the same rights as the other Shares. Pursuant to the Cayman Companies Act and the terms of the Memorandum of Association and the Articles of Association, our Company may from time to time by ordinary resolution of Shareholders: (a) increase its share capital; (b) consolidate and divide its share capital into Shares of a larger amount than its existing Shares; (c) sub-divide its Shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association; and (d) cancel any shares, which at the date of passing of the resolution, have not been taken and diminish the amount of its share capital by the amount of the Shares so cancelled; (e) make provision for the allotment and issue of shares which do not carry any voting rights; (f) change the currency of denomination of its share capital; and/or (g) reduce its share premium account in any manner authorised, and subject to any conditions prescribed by law. In addition, our Company may subject to the provisions of the Cayman Companies Act reduce its share capital or any capital redemption reserve by its Shareholders passing a special resolution.

For further details, please refer to the paragraph headed "Summary of the Constitution of the Company and the Cayman Companies Act — 2. Articles of Association — 2.1 Shares — (c) Alteration of Capital" set out in Appendix III to this document.

You should read this section in conjunction with our historical financial information as at and for the years ended 31 March 2025 and 31 March 2026 and the three months ended 30 June 2026 as set out in the Accountants' Report, together with the accompanying notes. The Accountants' Report has been prepared in accordance with HKFRSs. You should read the Accountants' Report in its entirety and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, whether the actual outcome and developments will meet our expectations and predictions depends on a number of risks and uncertainties over which we do not have control. Please also refer to the sections headed "Risk Factors" and "Forward-looking Statements" in this document.

The following discussion and analysis also contain certain amounts and percentage figures that have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them and all monetary amounts shown are approximate amounts only.

OVERVIEW

Founded in 1993, our Group is principally engaged in the provision of demolition works as a main contractor in Hong Kong. We also undertake a variety of other construction works, such as repair and maintenance works, rectification works, improvement works and site upkeeping works. Together with our predecessor, Riseship Engineering Co. established in 1989, we have accumulated over 35 years of operating history in the construction industry in Hong Kong. Our projects are primarily undertaken by Riseship Construction, our principal operating subsidiary established in Hong Kong.

Our principal business is undertaking demolition and other construction works projects in Hong Kong. We have experience in various types and scales of projects, including but not limited to the demolition of commercial buildings, residential developments, and other buildings and structures, as well as other construction works such as repair and maintenance works, improvement works and rectification works in Hong Kong. In undertaking the demolition projects, we derived revenue which comprised (i) the revenue from contract sum, namely the fees which we received from the customers for our services; and (ii) in the case of some demolition projects, the proceeds from disposal of salvage materials removed from the demolition sites to third party salvage materials buyers.

For FY2025, FY2026 and 3M2026, we recorded revenue of approximately HK$77.3 million, HK$136.8 million and HK$43.2 million respectively. Our Group recorded net profit of approximately HK$8.6 million, HK$24.2 million and HK$9.4 million for FY2025, FY2026 and 3M2026 respectively.

BASIS OF PRESENTATION

Please refer to Note 2 of the Accountants' report set out in Appendix I to this document.

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our Group's financial condition and results of operations have been and will continue to be affected by a number of factors, including those set forth below. The following factors are not exhaustive and our operating results and financial conditions may also be affected by the risk factors set forth in the section headed "Risk factors" in this document.

Our demolition projects are non-recurring in nature and failure of our Group to secure new projects could materially and adversely affect our results of operations and financial performance

Our demolition contracts are on a non-recurring and project basis. As our contracts are nonrecurring in nature, we cannot guarantee that we will continue to secure new projects from our customers after the completion of the existing projects. While we obtain new demolition projects through tender or quotation, a majority of our contract revenue during the Track Record Period was derived from projects secured by tender. Our tender/quotation success rates were approximately 25.6%, 26.3% and 28.6% for FY2025, FY2026 and 3M2026, respectively. There is no assurance that we will be invited to or are made aware of the tendering process or our tenders will be selected by our customers. In addition, according to the Frost & Sullivan Report, most of the customers in the demolition industry in Hong Kong have maintained evaluation system to review their contractors' performance in terms of work quality and regulatory compliance, financial capability and reputation. If a contractor receives a poor safety performance review or a workplace accident occurs, the result of its evaluation and its tender/quotation success rate may be adversely affected. In serious cases, the contractor may be suspended from tendering for new contracts. There is no assurance that our overall performance is satisfactory to all of our customers. In the event that we are unable to maintain business relationship with our existing customers, or unable to secure new projects or obtain similar number of projects and maintain our tender/quotation success rate, our results of operations and financial performance will be materially and adversely affected.

We have not entered into long-term agreements with our customers or salvage materials buyers and we cannot assure that our customers will continue to engage our services or our salvage materials buyers will continue to purchase our salvage materials

Our ability to maintain good business relationship with our customers and salvage materials buyers is crucial to our ongoing growth and profitability. Our demolition contracts are on a non-recurring and project basis. We may receive proceeds from disposal of salvage materials while we undertook demolition works at our demolition site. We have not entered into any long-term agreements with our customers or salvage materials buyers. The demand for our demolition services and salvage materials may change due to a number of factors, some of which may be beyond our control such as changes in their businesses, personnel, sourcing policies, economic conditions, import and export regulations, market supply and demand conditions of demolition services and/or recyclable demolition wastes and change in environmental and conservation regulations. In the event that there was a decrease in the demand for our demolition services or salvage materials and we are unable to identify new customers and/or salvage materials buyers, our Group's results of operations and financial performance will be materially and adversely affected.

Incorrect estimation of our project operating costs and value of salvage materials to be derived in determining the tender or quotation price will materially and adversely affect our profitability and financial performance

During the Track Record Period, a majority of our contract revenue was derived from projects secured by tender. We determine our tender or quotation price primarily by estimating our operating costs with a certain percentage of markup. For projects involving removal of salvage materials services, our tendering or quotation price will also have taken into account the discounted estimated value of the salvage materials which would be derived from the project. Our contracts with customers typically have a fixed and pre-determined fee throughout the contract period. Please refer to the section headed "Business — Our operational flow — Tender or quotation — Preparation of tender proposal or quotation — Pricing strategy" in this document for details of our pricing strategy. During the Track Record Period and up to the Latest Practicable Date, there was no cost overrun or loss-making project. Nonetheless, there is no assurance that the actual amount of time and costs incurred during the performance of our projects would not exceed our estimation. The actual amount of time and costs incurred in completing a project may be adversely affected by many factors, including unforeseen site conditions, adverse weather conditions, accidents, non-performance by our subcontractors, unexpected significant increase in costs of materials agreed to be borne by us, unexpected increase in the amount of rectification works requested by our customers and the Government and other unforeseen problems and circumstances. Any material inaccurate estimation in the time and costs involved in a project may give rise to delays in completion of works and/or cost overruns, which in turn may materially and adversely affect our Group's financial condition, profitability and liquidity.

A reduction in the pipeline of redevelopment projects, demolition projects and construction projects in Hong Kong could materially affect our financial performance

Our Group is highly dependent on the pipeline of redevelopment projects, demolition projects and new building construction projects in Hong Kong which are affected by various factors such as the general economic conditions, government spending and policies, the demolition industry and factors beyond our control. Fewer available projects will result in more intense competition and a downturn in our industry may lead to tighter liquidity and slower collection and/or recovery of trade receivables. In the event the number of redevelopment projects, demolition projects and new building construction projects in Hong Kong are reduced, our results of operations and financial performance will be materially and adversely affected.

SENSITIVITY ANALYSIS

For FY2025, FY2026 and 3M2026, our net profit amounted to approximately HK$8.6 million, HK$24.2 million and HK$9.4 million, respectively.

Fluctuation of the price of salvage materials

For FY2025, FY2026 and 3M2026, we derived 11.7%, 28.9%, 30.1% of our total revenue from the disposal of salvage materials such as ferrous metal, non-ferrous metal and recycled concrete aggregate to third party salvage materials buyers, respectively. The prices of salvage materials may be subject to fluctuation as a result of various factors beyond our control, such as the global economic and financial conditions, sourcing policies of the salvage materials buyers, import and export regulations and market supply and demand conditions of the relevant materials. In addition, as at the Latest Practicable Date,

our Group had not entered into long-term contracts with the third party salvage materials buyers for the supply of salvage materials, our selling prices of salvage materials are subject to market fluctuation from time to time. In the event there is a material decrease in the price of salvage materials, our profitability may be adversely affected.

The prices of salvage materials directly affect our revenue to be derived from disposal of salvage materials. The following table is for reference only and illustrates the impact of hypothetical fluctuations in the prices of salvage materials on our profits before taxation during the Track Record Period. The hypothetical fluctuation rates are set at 0.3% and 3.6%, which correspond to the approximate minimum and maximum CAGR for the prices of salvage materials engaged in the industry, respectively, from 2021 to 2025 as stated in the Frost & Sullivan Report (please refer to the section headed "Industry Overview" in this document), which are considered reasonable for the purpose of this sensitivity analysis:

Hypothetical fluctuations in prices of salvage materials	**FY2025**	**FY2026**	**3M2026**
	HK$'000	*HK$'000*	*HK$'000*
+/- 0.3%	27	118	39
+/- 3.6%	326	1,421	468

Fluctuations in cost of services

Our cost of services refer to costs that are directly attributable to our projects. For FY2025, FY2026 and 3M2026, our cost of services amounted to approximately HK$58.2 million, HK$97.4 million and HK$28.4 million, respectively.

Our (i) construction materials and (ii) direct labour costs represented a major portion of our cost of services during the Track Record Period. For FY2025, FY2026 and 3M2026, our costs of construction materials and direct labour costs in aggregate amounted to approximately HK$5.9 million, HK$26.1 million and HK$7.9 million, which accounted for approximately 10.1%, 26.8% and 27.9% of our cost of services, respectively. Our ability to control and manage our subcontractor charges, construction material and direct labour costs will enhance our profitability.

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in our subcontractor charges on our profits before income tax during the Track Record Period. The hypothetical fluctuation rates are set at 5.0% and 10.0% with reference to the fluctuation in our historical costs of subcontractor charge engaged in the industry, respectively, from 2021 to 2025 as stated in the Frost & Sullivan Report (please refer to the section headed "Industry Overview" in this document), which are considered reasonable for the purpose of this sensitivity analysis:

Hypothetical fluctuations in subcontractor charges	**FY2025**	**FY2026**	**3M2026**
	HK$'000	*HK$'000*	*HK$'000*
+/- 5.0%	1,941	1,953	568
+/- 10.0%	3,881	3,906	1,137

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in our construction material on our profits before income tax during the Track Record Period. The hypothetical fluctuation rates are set at 1.6%, which correspond to the CAGR for the construction materials engaged in the industry, respectively, from 2020 to 2025 as stated in the Frost & Sullivan Report (please refer to the section headed "Industry Overview" in this document), which are considered reasonable for the purpose of this sensitivity analysis:

Hypothetical fluctuations in construction material	**FY2025**	**FY2026**	**3M2026**
	HK$'000	*HK$'000*	*HK$'000*
+/- 1.6%	49	107	35

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in our direct labour costs on our profits before income tax during the Track Record Period. The hypothetical fluctuation rates are set at 4.7% with reference to the fluctuation in our historical direct labour costs which correspond to the CAGR for the average monthly salary of major types of worker engaged in the industry, respectively, from 2021 to 2025 as stated in the Frost & Sullivan Report (please refer to the section headed "Industry Overview" in this document), which are considered reasonable for the purpose of this sensitivity analysis:

Hypothetical fluctuations in direct labour costs	**FY2025**	**FY2026**	**3M2026**
	HK$'000	*HK$'000*	*HK$'000*
+/- 4.7%	211	996	277

MATERIAL ACCOUNTING POLICIES

Our historical financial information have been prepared in accordance with accounting policies which conform to the HKFRS. We have identified certain accounting policies that are material to the preparation of our financial information and are important in understanding our financial condition and results of operations. The material accounting policies are set out in note 4 to the Accountants' Report in Appendix I to this document. The material accounting policies are summarized as follows:

Revenue from Demolition services

Revenue is recognised over time as the project owners simultaneously receives and consumes the benefits provided by our Group as the demolition services are performed. Progress towards completion of the demolition services is measured using the input method, based on costs incurred to date relative to the estimated total costs for each service.

Transaction price of a demolition services project includes net fixed amount received or receivable directly from the project owners and variable considerations with proceeds from disposal of salvage materials removed from the demolition sites to third party salvage materials buyers. Variable revenue from proceeds from disposal of salvage materials are revised if market price of salvage materials change. Any resulting increases or decreases in estimated revenues are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management. Accumulated experience and recent market prices are used to estimate the variable consideration to the extent that it is highly probable that a significant reversal will not occur, using the expected value method, to be included in the transaction price.

Certain contracts require our Group to arrange surety bonds to guarantee contractual performance and payment obligations to customers. Collateral deposits placed with certain surety companies for arranging surety bonds that included in deposits and prepayment.

If the value of the services rendered by our Group exceed the net payments billed, a contract asset is recognised. If the payments exceed the value of the services rendered, a contract liability is recognised.

Trade receivables and retention are recognised for amounts billed to project owners for services and salvage materials buyers for salvage materials. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of our accounting policies, which are described in note 5 to the Accountants' Report in Appendix I to this document, estimates and assumptions concerning the future and judgements are made by the management of our Group in the preparation of our historical financial information. They affect the application of our accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on historical experience and other factors that are considered to be relevant. Revisions to accounting estimates are recognized in the period of revision.

RESULTS OF OPERATIONS

The following is a summary of the consolidated statements of comprehensive income of our Group for FY2025, FY2026, 3M2025 and 3M2026, derived from the accountants' report set out in Appendix I to this document.

	FY2025	**FY2026**	**3M2025**	**3M2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Revenue	77,280	136,800	29,970	43,190
Cost of services	(58,239)	(97,399)	(21,158)	(28,359)
Gross profit	19,041	39,401	8,812	14,831
Other income and other gains	491	776	139	30
Administrative and other operating expenses	(9,068)	(10,746)	(2,413)	(2,336)
[REDACTED]	—	—	—	**[REDACTED]**
Finance costs	(198)	(149)	(42)	(39)
Profit before income tax	10,266	29,282	6,496	11,399
Income tax expense	(1,617)	(5,051)	(1,133)	(1,956)
Profit and total comprehensive income for the year/period	8,649	24,231	5,363	9,443
Profit and total comprehensive income for the year/period attribute to:				
Owners of the Company	8,191	23,899	4,763	9,398
Non-controlling interests	458	332	600	45
	8,649	24,231	5,363	9,443

PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Revenue

For FY2025, FY2026, 3M2025 and 3M2026, our revenue amounted to approximately HK$77.3 million, HK$136.8 million, HK$30.0 million and HK$43.2 million, respectively. The table below sets out our revenue during the Track Record Period by source:

	FY2025		FY2026		3M2025		3M2026	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000* (Unaudited)	*%*	*HK$'000*	*%*
Demolition works	72,003	93.2	128,027	93.6	28,960	96.6	37,254	86.3
— Revenue from contract sum	62,957	81.5	88,553	64.7	22,968	76.6	24,242	56.2
— Proceeds from disposal of salvage materials	9,046	11.7	39,474	28.9	5,992	20.0	13,012	30.1
Other construction works *(note)*	5,277	6.8	8,773	6.4	1,010	3.4	5,936	13.7
Total:	77,280	100.0	136,800	100.0	29,970	100.0	43,190	100.0

Note: Other construction works included, without limitation, repair works, rectification works, improvement works and site upkeeping works.

For FY2025, FY2026, 3M2025 and 3M2026, our demolition works revenue amounted to approximately HK$72.0 million, HK$128.0 million, HK$29.0 million and HK$37.3 million, which contributed approximately 93.2%, 93.6%, 96.6% and 86.3% of our total revenue, respectively. Our demolition works revenue include (i) the contract sum received/receivable from the project owners for our provision of demolishing works services; and (ii) the proceeds received/receivable from third party salvage materials buyers for our disposal of salvage materials removed from the demolition sites.

Revenue from contract sum

Provision of our demolition works services and our contract sum are determined on a project basis. Contract sum is the net fixed amount we received from project owners for our projects.

Proceeds from disposal of salvage materials

Depending on the terms of the contract and scope of work to be provided in a particular project, the aggregate revenue derived from the project may include proceeds received from salvage materials buyers for our disposal of salvage materials removed from the demolition site. Proceeds from our disposal of salvage materials varies according to the unit cost and volume of the salvage material disposed.

Our Group's total revenue increased by approximately HK$59.5 million or 77.0% from approximately HK$77.3 million for FY2025 to approximately HK$136.8 million for FY2026. Such increase during the year was mainly attribute to the increase of our demolition works revenue from contract sum of approximately HK$25.6 million or 40.1% due to the revenue recognised from one sizeable projects, namely projects no. A, of approximately HK$74.5 million for FY2026, compared to approximately HK$15.6 million for FY2025. At the same time, our proceeds from disposal of salvage materials from Project No. A also increased by approximately HK$29.0 million or 630.4% from approximately HK$4.6 million for FY2025 to approximately HK$33.6 million for FY2026. There were increases and decreases in revenue recognised from our projects due to the varying amount of works performed in different financial periods.

Our Group's total revenue increased by approximately HK$13.2 million or 44.1% from approximately HK$30.0 million for 3M2025 to HK$43.2 million for 3M2026. Such increase during the period was mainly attributable to the increase of our construction works revenue of approximately HK$4.9 million due to (i) the new construction work of improvement in Tseung Kwan O approximately HK$5.8 million and (ii) the increase of our proceeds from disposal of salvage materials by approximately HK$7.0 million, which was in line with the number of sizeable projects undertaken during 3M2026. There were increases and decreases in revenue recognised from our projects due to the varying amount of works performed in different financial periods.

The following table sets forth the breakdown of our revenue by types of building for the Track Record Period indicated:

	FY2025		**FY2026**		**3M2025**		**3M2026**	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
					(Unaudited)			
Commercial buildings	20,788	26.9	108,159	79.1	26,194	87.4	29,577	68.5
Residential & Commercial buildings	17,755	23.0	18,369	13.4	753	2.5	12,969	30.0
Residential buildings	32,042	41.5	4,305	3.1	2,013	6.7	644	1.5
Others *(Note)*	6,695	8.6	5,967	4.4	1,010	3.4	—	—
Total:	77,280	100.0	136,800	100.0	29,970	100.0	43,190	100.0

Note: Others include industrial building, composite and school campus, etc.

We recorded approximately 26.9%, 79.1%, 87.4% and 68.5% of our total revenue was generated from projects for commercial buildings for FY2025, FY2026, 3M2025 and 3M2026, respectively. For FY2026 and 3M2026, the increase mainly due to our engagement of one sizable project, namely project no. A which recognised revenue of approximately HK$108.1 million and approximately HK$28.6 million respectively.

For FY2025, FY2026, 3M2025 and 3M2026, approximately HK$17.8 million, HK$18.4 million, HK$0.8 million and HK$13.0 million, respectively of our revenue were generated from projects for residential & commercial buildings. For FY2025 and FY2026, the revenue remained stable. For 3M2025 and 3M2026, such increase was mainly due to three new projects, namely project no. B, E, and Q which contributed approximately HK$13.0 million.

For FY2025, FY2026, 3M2025 and 3M2026, approximately HK$32.0 million, HK$4.3 million, HK$2.0 million and HK$0.6 million, respectively of our revenue were generated from projects for residential buildings. Such decrease was mainly due to (i) the decrease in aggregated revenue of approximately HK$8.1 million recognised for project no. C in FY2025 located in Wong Chuk Hang; and (ii) the completion of three demolition project no. D, H and J which contributed HK$19.5 million during FY2025.

The following table sets forth the revenue of top five projects:

Project No.	Customer	Nature of project	Type of building/ structure	Commencement date (Note 2)	Actual/expected completion date (Note 3)	Estimated projects revenue as of 30 June 2026		Aggregate revenue recognised before Track Record Period	Breakdown of revenue recognised during the Track Record Period by year/period				Aggregate revenue recognised during Track Record Period (Note 4)	Cumulative GP margin for Track Record Period (Note 5)
						Contract sum (HK$'000)	Proceeds from disposal of salvage materials (if applicable) (HK$'000)	(HK$'000)	Total (HK$'000)	FY2025 (HK$'000)	FY2026 (HK$'000)	3M2026 (HK$'000)	(HK$'000)	(%)
A	Customer Group A	Demolition and hoarding works	Commercial	January 2025	September 2026	118,000	53,000	—	171,000	20,165	108,086	28,573	156,824	33.3
B	Customer Group A	Demolition and hoarding works	Residential and commercial	February 2025	June 2026	12,000	8,396	—	20,396	2	14,367	6,027	20,396	9.8
C	Customer Group B	Demolition and hoarding works	Residential	September 2024	July 2026	16,637	—	—	16,637	12,351	4,281	5	16,637	14.6
D	Customer Group C	Demolition and hoarding works	Residential	January 2024	October 2024	9,900	600	1,114	10,500	9,376	—	—	9,376	12.5
E	Customer Group D	Improvement works	Residential and commercial	November 2025	June 2026	8,548	—	—	8,548	—	2,725	5,823	8,548	43.3
					Total	165,085	61,996	1,114	227,081	41,894	129,459	40,428	211,781	

Notes:

1. Each of the projects completed by our Group during the Track Record Period was a private sector project, in which our Group acted as a main contractor.

2. The commencement date for a particular project refers to the date of commencement as stated in the letter of award or the actual commencement of substantial works on site.

3. The actual completion date for a particular project refers to the date of completion of our works in such project as stated in the practical completion certificate or other record provided by our customers. The expected completion date for a particular project refers to the expected date of substantial completion of our works in such project based on (i) the contractual agreement with our customers; and/or (ii) our management's best estimation taking into account the actual work progress and current market conditions.

4. Depending on the nature of the project, terms of the contract and scope of work to be provided in a particular project, the aggregate contract revenue derived from the project may include (i) the contract sum received from our customers; and (ii) (for demolition projects only) proceeds received from salvage material buyers for our disposal of salvage materials removed from the demolition sites.

5. Cumulative gross profit margin is calculated as gross profit derived from the project divided by revenue recognised from the project for the Track Record Period.

Cost of services

For FY2025, FY2026, 3M2025 and 3M2026, our cost of services amounted to approximately HK$58.2 million, HK$97.4 million, HK$21.2 million and HK$28.4 million, respectively. Our cost of services refer to costs that are directly related to our projects. During the Track Record Period, our cost of services mainly comprised of (i) subcontractor charges; (ii) direct labour costs; (iii) transportation expenses; (iv) government levies; and (v) construction materials. The table below sets forth a breakdown of our cost of services by nature and percentage contribution to total cost of services during the Track Record Period:

	FY2025		**FY2026**		**3M2025**		**3M2026**	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000* (unaudited)	*%*	*HK$'000*	*%*
Subcontractor charges	38,808	66.6	39,061	40.1	9,643	45.6	11,369	40.1
Direct labour costs	4,482	7.7	21,186	21.8	5,144	24.3	5,893	20.8
Transportation expenses	1,259	2.2	8,049	8.3	708	3.3	3,457	12.2
Government levies	963	1.7	7,397	7.6	1,344	6.4	1,386	4.9
Construction materials	3,066	5.3	6,657	6.8	1,729	8.2	2,194	7.7
Machinery and equipment leasing expenses	2,163	3.7	6,403	6.6	1,015	4.8	1,761	6.2
Legal and professional fees	1,590	2.7	3,002	3.1	372	1.8	1,308	4.6
Insurance expenses	2,089	3.6	2,736	2.8	573	2.7	226	0.8
Depreciation	2,064	3.5	1,890	1.9	314	1.5	536	1.9
Utilities	653	1.1	506	0.5	187	0.9	5.0	—
Maintenance expenses	403	0.7	66	0.1	66	0.3	—	—
Others	699	1.2	446	0.4	63	0.2	224	0.8
Total cost of services	58,239	100.0	97,399	100.0	21,158	100.0	28,359	100.0

Note:

Others mainly represented our motor vehicle expenses and operating lease charges.

Subcontractor charges

Subcontractor charges represented the costs incurred for engaging subcontractors in relation to our demolition works. During the Track Record Period, we engaged subcontractors for carrying out ancillary services associated with our demolition works such as erection of temporary hoardings, scaffolding works and turfing. We recorded subcontracting charges of approximately HK$38.8 million, HK$39.1 million, HK$9.6 million and HK$11.4 million for FY2025, FY2026, 3M2025 and 3M2026, respectively, representing approximately 66.6%, 40.1%, 45.6% and 40.1% of our actual costs incurred under total cost of services for the respective years or periods.

Direct labour costs

Direct labour costs represented the labour costs directly incurred for the provision of our demolition works. They included the wages, salaries, bonuses and other benefits for our personnel at the project team as well as workers and machinery operators who are directly involved in our demolition projects. Accordingly, the amount of our direct labour costs incurred was positively corresponded to the amount of our demolition and other construction works and hence our revenue during the Track Record Period. We recorded direct labour costs of approximately HK$4.5 million, HK$21.2 million, HK$5.1 million and HK$5.9 million for FY2025, FY2026, 3M2025 and 3M2026, respectively, representing approximately 7.7%, 21.8%, 24.3% and 20.8% of our actual costs incurred under total costs of services for the respective years or periods.

Transportation expenses

Transportation expenses mainly represented (i) the expenses we incurred for the transportation of demolition waste resulting from our demolition works which we did not sell, including rental expenses of lorries, from the demolition sites to approved dumping grounds; and (ii) the fees for transportation of our machinery to or from work sites. We recorded transportation expenses of approximately HK$1.3 million, HK$8.0 million, HK$0.8 million and HK$3.5 million for FY2025, FY2026, 3M2025 and 3M2026, respectively, representing approximately 2.2%, 8.3%, 3.3% and 12.2% of our actual costs incurred under total cost of services for the respective years or periods.

Government levies

Government levies represented disposal charges for construction waste during asset disposal, decommissioning, or site clear-outs under Construction Waste Disposal Charging Scheme. We recorded government levies of approximately HK$1.0 million, HK$7.4 million, HK$1.3 million and HK$1.4 million for FY2025, FY2026, 3M2025 and 3M2026, respectively, representing approximately 1.7%, 7.6%, 6.4% and 4.9% of our actual costs incurred under total cost of services for the respective years or periods.

Construction materials

Construction materials mainly represented (i) the expenses for the purchase of machinery parts and consumables such as diesel fuels and other miscellaneous accessories including personal protective equipment such as reflective vests and safety helmets used by our on-site workers; (ii) the disposal expenses for disposal of demolition waste or hazardous waste; and (iii) structural steel, concrete and reinforcement steel. For FY2025, FY2026, 3M2025 and 3M2026, we recorded construction material costs of approximately HK$3.1 million, HK$6.7 million, HK$1.7 million and HK$2.2 million respectively, representing approximately 5.3%, 6.8%, 8.2% and 7.7% of our total actual costs incurred under total cost of services for the respective years or periods.

Machinery and equipment leasing expenses

Machinery and equipment leasing expenses which mainly represent rental costs for leasing machinery and equipment necessary for carrying out our demolition works; We recorded machinery and equipment leasing expenses of approximately HK$2.2 million, HK$6.4 million, HK$1.0 million and HK$1.8 million for FY2025, FY2026, 3M2025 and 3M2026, respectively, representing approximately 3.7%, 6.6%, 4.8% and 6.2% of our actual costs incurred under total cost of services for the respective years.

Our cost of services increased by approximately HK$39.2 million or 67.3%, from approximately HK$58.2 million for FY2025 to approximately HK$97.4 million for FY2026, which was mainly due to the increase in our (i) direct labour costs; (ii) transportation expenses; (iii) government levies; and (iv) machinery and equipment leasing expenses:

(i) our direct labour costs increased by approximately HK$16.7 million from approximately HK$4.5 million for FY2025 to approximately HK$21.2 million for FY2026. This was mainly due to the increase in sizeable projects undertaken by us for FY2026 which involved more staff carrying out the increasing amount of works by us;

(ii) our transportation expenses increased by approximately HK$6.7 million from approximately HK$1.3 million for FY2025 to approximately HK$8.0 million for FY2026. This was mainly due to the increase of the expenses we incurred for the transportation of demolition waste;

(iii) our government levies increased by approximately HK$6.4 million from approximately HK$1.0 million for FY2025 to approximately HK$7.4 million for FY2026. This was mainly due to the increase in our disposal expenses of demolition waste and/or hazardous waste; and

(iv) our machinery and equipment leasing expenses increased by approximately HK$4.3 million from approximately HK$2.1 million for FY2025 to approximately HK$6.4 million for FY2026. This was mainly due to the increase of the expenses we incurred in machinery rental which was in line with our business expansion.

Our cost of services increased by approximately HK$7.2 million or 34.0%, from approximately HK$21.2 million for 3M2025 to approximately HK$28.4 million for 3M2026, which was mainly due to the increase in our (i) subcontractor charges, (ii) and transportation expenses, (iii) direct labour costs, and (iv) machinery and equipment leasing expenses:

(i) Our subcontractor charges increased by approximately HK$1.8 million or 17.9% from approximately HK$9.6 million for 3M2025 to approximately HK$11.4 million for 3M2026. This was mainly due to a sizeable project, namely project no. A undertaken by us for 3M2026 which involved subcontractor to set up and strike temporary propping and shoring of adjacent structures;

(ii) our transportation expenses increased by approximately HK$2.7 million from approximately HK$0.8 million for 3M2025 to approximately HK$3.5 million for 3M2026. This was mainly due to the increase of the expenses we incurred for the transportation of demolition waste;

(iii) our direct labour costs also increased by approximately HK$0.8 million or 14.6% from approximately HK$5.1 million for 3M2025 to approximately HK$5.9 million for 3M2026 primarily due to the increased number of project-based workers employed by us in carrying out the increasing amount of works by us; and

(iv) our machinery and equipment leasing expenses increased by approximately HK$0.8 or 73.5% from approximately HK$1.0 million for 3M2025 to approximately HK$1.8 million for 3M2026, which was in line with our business expansion.

Gross profit

The table below sets out our gross profit during the Track Record Period by source:

	FY2025		**FY2026**		**3M2025**		**3M2026**	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
					(Unaudited)			
Commercial buildings	6,136	29.5	35,120	32.5	8,192	31.3	11,170	37.8
Residential and commercial buildings	5,601	31.5	2,789	15.2	314	41.7	3,568	27.5
Residential buildings	5,573	17.4	808	18.8	302	15.0	93	14.4
Others	1,731	25.9	684	11.5	4	0.4	—	—
Total:	19,041	24.6	39,401	28.8	8,812	29.4	14,831	34.3

Note: Others include industrial building, composite and school campus, etc.

Our gross profit was approximately HK$19.0 million, HK$39.4 million, HK$8.8 million and HK$14.8 million and our gross profit margin was approximately 24.6%, 28.8%, 29.4% and 34.3% for FY2025, FY2026, 3M2025 and 3M2026, respectively.

Our gross profit increased by approximately HK$20.4 million or 106.9%, from approximately HK$19.0 million for FY2025 to approximately HK$39.4 million for FY2026. Our gross profit margin increased from approximately 24.6% for FY2025 to approximately 28.8% for FY2026, such increase was mainly due to project for commercial building, namely project no. A having a relatively high cumulative profit margin of approximately 32.5%, was recognised in FY2026, mainly attributable to the proceeds from the disposal of salvage materials. Our gross profit margin of residential and commercial building decrease from approximately 31.5% for FY2025 to approximately 15.2% for FY2026, mainly due to project no. B for the work of demolition with a relatively lower gross profit margin. In addition, our engagement of project no. E with awarded contract sum of approximately HK$8.5 million with a relatively higher gross profit margin, primary due to the complexity.

Our gross profit increased by approximately HK$6.0 million or 68.3%, from approximately HK$8.8 million for 3M2025 to approximately HK$14.8 million for 3M2026. Our gross profit margin increase from approximately 29.4% to 34.3% for 3M2025 and 3M2026, was higher than that of each of FY2025 and FY2026, which was mainly due to projects no. A, having relatively high cumulative gross profit margin of approximately 33.3% for 3M2026. Such project is commercial building in nature and generated comparatively a higher portion of salvage materials with higher value.

Our gross profit margin of residential and commercial building decrease from approximately 41.7% for 3M2025 to approximately 27.5% for 3M2026, mainly due to project no. B and Q for the work of demolition with a relatively lower gross profit margin, as building of residential nature normally generated comparatively less salvage materials than solely commercial.

Other income

Our other income comprised of (i) interest income from our bank accounts; (ii) government grants from the Hong Kong Government to subsidise our Group's adoption of innovative construction methods and new technologies in the construction industry and for providing on-the-job training for youth graduates; (iii) sundry income.

The following table sets out the breakdown of other income during the Track Record Period:

	FY2025	**FY2026**	**3M2025**	**3M2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(unaudited)	
Bank interest income	4	1	1	—
Government grant *(note)*	—	437	—	—
Sundry income	388	338	138	30
Total	392	776	139	30

Note:

There were no unfulfilled conditions and other contingencies attaching to government grants that had been recognised.

For FY2025, FY2026, 3M2025 and 3M2026, government grants received by us amounted to nil, approximately HK$0.4 million, nil and nil respectively.

Our other income increased by approximately HK$0.4 million or 100.0% from HK$0.4 million for FY2025 to approximately HK$0.8 million for FY2026 primarily due to the increase of government grants.

Our other income decreased by approximately HK$0.1 million from approximately HK$139,000 for 3M2025 to approximately HK$30,000 for 3M2026. Such decrease was primarily due to the decrease in sundry income.

Other gains — net

The table below sets forth the components of our other gains during the Track Record Period:

	FY2025	**FY2026**	**3M2025**	**3M2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(unaudited)	
Gain on disposal of property and equipment	99	—	—	—

During FY2025, our Group disposed of a property to a related company, controlled by Mr. Lo Cheuk Pui, with a consideration of HK$3,000,000, which the directors of the Company considered the transaction is in the normal course of its business and mutually agreed between both parties. Gain on disposal of property of approximately HK$99,000 was recognised in other income and other gains during the FY2025.

Our other gains decreased by approximately HK$99,000 or 100.0% from approximately HK$99,000 for FY2025 to nil for FY2026 primarily due to no disposal of property, plant and equipment for FY2026.

Administrative expenses

Our administrative expenses primarily consisted of (i) staff costs; (ii) depreciation expenses; and (iii) operating lease charges in respect of the land and office equipment during the Track Record Period. The following table sets forth a breakdown of our administrative expenses during the Track Record Period:

	FY2025		**FY2026**		**3M2025**		**3M2026**	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
					(unaudited)			
Staff costs	5,400	59.6	7,222	67.2	1,679	69.6	1,623	69.5
Entertainment	836	9.2	660	6.1	58	2.4	136	5.8
Office expenses	210	2.3	592	5.5	135	5.6	7	0.3
Donation	277	3.1	528	4.9	82	3.4	170	7.3
Legal and professional fees	490	5.4	344	3.2	133	5.5	115	4.9
Depreciation of right-of-use assets	319	3.5	306	2.8	76	3.1	76	3.3
Vehicle expenses	542	6.0	273	2.5	63	2.6	67	2.9
Audit fee	270	3.0	220	2.0	—	—	—	—
Depreciation of property, plant and equipment and investment property	197	2.2	209	1.9	55	2.3	33	1.4
Rent and rates	159	1.8	154	1.4	39	1.6	38	1.6
Insurance	94	1.0	139	1.3	65	2.7	37	1.6
Others	274	2.9	99	1.2	28	1.2	34	1.4
Total administrative expenses	9,068	100.0	10,746	100.0	2,413	100.0	2,336	100.0

Note:

Others represented expenses in relation to our transportation, local travelling, and overseas travelling expenses.

Staff costs included compensation and benefits provided to our administrative staff and our Directors. Please refer to Notes 12(a) and 12(b) of the accountants' report set out in Appendix I to this document for further details of the breakdown of the remuneration of our executive Directors and the five highest paid individuals during the Track Record Period.

Our administrative expenses increased by approximately HK$1.6 million or 18.5%, from approximately HK$9.1 million for FY2025 to approximately HK$10.7 million for FY2026. Such increase was primarily due to the increased Directors' remuneration. Our administrative expenses remained stable for 3M2025 and 3M2026.

Finance costs

Our finance costs comprised interest expenses on (i) bank borrowings and (ii) lease liabilities. Please refer to the paragraph headed "Indebtedness" in this section for details of our bank borrowings and lease liabilities.

	FY2025		**FY2026**		**3M2025**		**3M2026**	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
					(unaudited)			
Interest on bank borrowings	167	84.3	121	81.2	34	81.0	34	87.2
Interest on lease liabilities	31	15.7	28	18.8	8	19.0	5	12.8
Total	198	100.0	149	100.0	42	100.0	39	100.0

Our finance costs decreased slightly by approximately HK$49,000 or 24.8% from approximately HK$198,000 for FY2025 to approximately HK$149,000 for FY2026 due to the decrease in interest expenses on bank borrowings.

Our finance costs decreased by approximately HK$3,000 or 7.1% from approximately HK$42,000 for 3M2025 to approximately HK$39,000 for 3M2026. Such decrease was mainly due to the decrease in interest expense on our lease liabilities.

Income tax expense

For FY2025, FY2026, 3M2025 and 3M2026, we had income tax expense of approximately HK$1.6 million, HK$5.1 million, HK$1.1 million and HK$2.0 million, respectively. The taxation for the Track Record Period can be reconciled to the profit before taxation as below:

Under the two-tiered profits tax rates regime in Hong Kong Profits Tax, the first HK$2,000,000 of profits of the qualifying entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of entity 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 entity is calculated at 8.25% of the first HK$2,000,000 of the estimated assessable profits and at 16.5% on the estimated profits above HK$2,000,000, taking into account the tax concession granted by the Government during the Track Record Period. Our effective tax rate is calculated by dividing income tax expense by profit before income tax, was approximately 15.8%, 17.2%, 17.4% and 17.2% for FY2025, FY2026, 3M2025 and 3M2026, respectively.

Our income tax expense increased by approximately HK$3.5 million or 218.8% from approximately HK$1.6 million for FY2025 to approximately HK$5.1 million for FY2026. Such increase was primarily due to the increase of our profit before income tax.

Our income tax expenses increased by approximately HK$0.8 million or 72.7% for 3M2026 as compared with 3M2025. Such increase was primarily due to the increase of our profit before income tax.

Our Directors have confirmed that all relevant taxes had been provided when due and there are no disputes or unresolved tax issues with the relevant tax authorities based on our submitted tax computations. Please refer to Note 11 of the accountants' report set out in Appendix I to this document for further details.

Profit for the year

As a result of the cumulative effect of the above factors, our profit increased by approximately HK$15.6 million or 181.4% from approximately HK$8.6 million for FY2025 to approximately HK$24.2 million for FY2026.

As a result of the cumulative effect of the above factors, our profit increased by approximately HK$4.0 million or 74.1% from approximately HK$5.4 million for 3M2025 to approximately HK$9.4 million for 3M2026.

Profit margin

Our Group's net profit margin was approximately 11.2% and 17.7% for FY2025 and FY2026, respectively. Our profit margin increased by approximately 6.5% for FY2026 which was mainly due to the increase in gross profit margin, which disclosed in the paragraph headed "Principal components of consolidated statements of comprehensive income — Gross profit and gross profit margin" in this section.

PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Property and equipment

Our property and equipment as at 31 March 2025, 31 March 2026 and 30 June 2026 were approximately HK$1.7 million, HK$3.6 million and HK$3.9 million, respectively. These property and equipment mainly related to (i) motor vehicles; and (ii) site equipment which comprised of our head office building.

The following table sets out the respective values of our Group's property and equipment as at the respective dates indicated:

	Owned property	Leasehold improvements	Furniture and equipment	Motor vehicles	Site equipment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost						
At 1 April 2024	4,234	442	897	1,246	9,245	16,064
Additions	—	5	—	226	118	349
Disposals	(4,234)	—	—	—	—	(4,234)
Written-off	—	(368)	—	—	—	(368)
At 31 March 2025 and 1 April 2025	—	79	897	1,472	9,363	11,811
Additions	—	—	—	—	3,959	3,959
At 31 March 2026 and 1 April 2026	—	79	897	1,472	13,322	15,770
Additions	—	—	17	—	919	936
At 30 June 2026	—	79	914	1,472	14,241	16,706
Accumulated depreciation						
At 1 April 2024	1,333	390	620	1,246	5,967	9,556
Charge for the year	—	20	132	45	2,063	2,260
Disposals	(1,333)	—	—	—	—	(1,333)
Written-off	—	(362)	—	—	—	(362)
At 31 March 2025 and at 1 April 2025	—	48	752	1,291	8,030	10,121
Charge for the year	—	16	125	68	1,890	2,099
At 31 March 2026 and at 1 April 2026	—	64	877	1,359	9,920	12,220
Charge for the period	—	5	11	17	536	569
At 30 June 2026	—	69	888	1,376	10,456	12,789
Net carrying amount						
At 31 March 2025	—	31	145	181	1,333	1,690
At 31 March 2026	—	15	20	113	3,402	3,550
At 30 June 2026	—	10	26	96	3,785	3,917

Our property and equipment increased by approximately HK$1.9 million or 110.1% from approximately HK$1.7 million as at 31 March 2025 to approximately HK$3.6 million as at 31 March 2026, which was primarily due to the additions of site equipment of approximately HK$4.0 million, which was partially offset by the depreciation provided for such year of approximately HK$2.2 million.

Our property and equipment increased by approximately HK$0.3 million or 8.3% from approximately HK$3.6 million as at 31 March 2026 to approximately HK$3.9 million as at 30 June 2026, which was primarily due to additions of site equipment of HK$0.9 million which was partially offset by the depreciation provided for the period of approximately HK$0.6 million.

Right-of-use assets

Right-of-use assets represent the capitalisation of the rental payments under the leases of properties. During the Track Record Period, The Group leased various offices for its operations. Lease contracts are entered into for fixed term of three years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors.

Our right-of-use assets as at 31 March 2025, 31 March 2026 and 30 June 2026 were approximately HK$0.7 million, HK$0.4 million and HK$0.3 million, respectively. The following table sets forth the details of our right-of-use assets as at the dates indicated:

	HK$'000
Cost	
At 1 April 2024	1,072
Additions	918
At 31 March 2025, 1 April 2025, 31 March 2026 and 30 June 2026	1,990
Accumulated depreciation	
At 1 April 2024	983
Charge for the year	319
At 31 March 2025 and at 1 April 2025	1,302
Charge for the year	306
At 31 March 2026	1,608
Charge for the period	76
At 30 June 2026	1,684
Net book value	
At 31 March 2025	688
At 31 March 2026	382
At 30 June 2026	306

Our leases are recognised as right-of-use assets and corresponding liability at the date of which the leased assets are available for use by our Group. Right-of-use asset arising from a lease is initially measured at cost on a present value basis and is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The fluctuation of our right-of-use assets were principally due to the additions of the properties and property and equipment under finance leases and the depreciation charge recognised during the year/period.

Contract assets

Our contract assets as at 31 March 2025, 31 March 2026 and 30 June 2026 were approximately HK$22.3 million, HK$23.2 million, and HK$21.9 million, respectively. The table below sets out the breakdown of our contract assets as at 31 March 2025 and 2026 and 30 June 2026:

	As at 31 March		As at 30 June
	2025	**2026**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Uncertified work in progress	18,525	19,752	18,387
Retention receivables	3,755	3,481	3,481
Total contract assets	22,280	23,233	21,868

The movements of the uncertified work in progress are as follows:

	As at 31 March		As at 30 June
	2025	**2026**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
At the beginning of the year/period	9,970	18,525	19,752
Uncertified services provided during the year/period	60,207	115,434	38,919
Certified and billed work in progress	(51,652)	(114,207)	(40,284)
At the end of the year/period	18,525	19,752	18,387

As at 1 April 2024, contract assets from contracts with customers amounted to approximately HK$10.0 million.

Our right to payment for services transferred to our customer is determined based on (i) the estimated total transaction price; and (ii) the progress of the demolition project (which is determined based on the proportion of costs incurred to-date to the estimated total costs for each demolition project). Due to the contiguous and inseparable demolition works performed by us, the estimated total transaction price includes not only the fixed amount of contract sum received or receivable directly from the project owners, but also a variable consideration in the form of proceeds from disposal of salvage materials removed from the demolition sites to third party salvage materials buyers.

The contract assets primarily relate to our Group's rights to consideration for work completed but not billed at the reporting date. The contracts of our Group can be billed to the customers once the work completed by our Group is certified by qualified independent third parties every one to two months. This arrangement prevents the build-up of significant contract assets. The contract assets are transferred to receivables when the rights become unconditional and our Group has billed to the customers.

We generally do not receive any sums as prepayment for our demolition projects from our customers. For our demolition projects, we generally incur large amount of costs at the early stage of the projects for purchasing materials, setting up temporary hoardings, machinery and equipment leasing expenses and providing our services before payments are received from our customers. We will submit various payment applications to our customers based on work done throughout the project execution stage in accordance with our actual work progress.

The following table sets out the breakdown of our contract assets by projects as at 30 June 2026:

Project No.	**Contract assets as at 30 June 2026** *HK$'000*	**Subsequently billed up to the Latest Practicable Date** *HK$'000*	**Remaining unbilled balance as at the Latest Practicable Date** *HK$'000*
A	14,314	2,998	11,316
E	2,048	—	2,048
Q	1,107	—	1,107
Others	918	—	918
Total	18,387	2,998	15,389

The contract assets also includes retention receivables which payment are withheld by customers for retention purposes, and the amount retained is withheld on each payment up to a maximum amount calculated as a prescribed percentage at 10% of the contract sum, and subject to a limit as prescribed in the contract. The retention receivables should be released to our Group six to twelve months after the completion of the projects pursuant to the provisions of the relevant contracts, or an earlier day as agreed by the customers. The ageing of the retention receivables, based on the date of certification, are as follows:

	As at 31 March		As at 30 June
	2025	**2026**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
1 to 30 days	3,755	2,758	2,758
31 to 90 days	—	530	—
91 to 180 days	—	193	530
181 to 365 days	—	—	193
	3,755	3,481	3,481

Retentions receivables relate to amount withheld by customers from progress payments due to us for demolition services provided. Retention receivables amounted to approximately HK$3.8 million, HK$3.5 million and HK$3.5 million as at 31 March 2025, 31 March 2026 and 30 June 2026 respectively. The fluctuation of retention receivables were due to the timing of withholding retention monies by our customers and the release thereof.

The following tables set out the ageing analysis of our contract assets as at 30 June 2026:

	Contract assets as at 30 June 2026	**Subsequently billed up to the Latest Practicable Date**	**Remaining unbilled balance as at the Latest Practicable Date**
	HK$'000	*HK$'000*	*HK$'000*
1 to 30 days	7,576	441	7,135
31 to 90 days	10,741	2,998	7,743
91 to 180 days	3,551	—	3,551
Total	21,868	3,439	18,429

As at the Latest Practicable Date (based on our Group's management accounts), approximately HK$3.4 million, or 15.7%, of the contract assets as at 30 June 2026 has been subsequently billed. Having considered, among others, (i) the substantial lag time between the commencement of our works and the issuance of the relevant progress billing to our customers as mentioned above; (ii) the status and progress of the respective projects; and (iii) the credit history and the financial condition of the respective customers individually, our Directors consider that the outstanding amount as at 30 June 2026 are recoverable and no provision has been made.

Trade receivables

Our trade receivables as at 31 March 2025, 31 March 2026 and 30 June 2026 were approximately HK$8.4 million, HK$6.1 million and HK$1.4 million respectively, and mainly consisted of trade receivables from third parties and retentions. The table below sets out the breakdown of our trade receivables as at 31 March 2025 and 2026 and 30 June 2026:

	As at 31 March		As at 30 June
	2025	**2026**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Trade receivables	8,393	6,119	1,409

Our trade receivables are all generated from third parties represented amounts receivable from (i) our customers who are the project owners for our provision of demolition and other construction works services; and (ii) salvage materials buyers for our sales of salvage materials. For receivables from our customers who are the project owners, trade receivables as at the reporting date represent demolition services certified and billed to the customers with a credit terms of 30 days. For receivables from our salvage materials buyers, the amount of receivables are subject to a credit terms of 30 days. During the Track Record Periods, proceeds due from customers and salvage materials buyers were normally settled on cash basis. Our Group had no provision for impairment of our trade receivables as at 31 March 2025, 31 March 2026 and 30 June 2026.

To manage credit risks associated with trade receivables, we adopted risk control to assess the credit quality of our customers and salvage materials buyers, during which we would carefully assess and consider various factors including but not limited to the relevant customer's size and background, credit history, financial condition and reputation, which we consider are essential factors for us to determine the credibility of such customers and the credit terms to be offered to our customers. We do not hold any collateral as security over these balances.

The following table sets out the breakdown of our trade receivable by projects as at 30 June 2026:

Project no	Trade receivables as at 30 June 2026	Subsequently billed and settled up to the Latest Practicable Date	Remaining unbilled balance as at the Latest Practicable Date
	HK$'000	*HK$'000*	*HK$'000*
E	1,409	1,409	—

The following tables set out the ageing analysis of our trade receivables as at 30 June 2026:

	Trade receivables as at 30 June 2026	Remaining unsettled balance as at the Latest Practicable Date
	HK$'000	*HK$'000*
1 to 30 days	1,409	—
31 to 90 days	—	—
Total	1,409	—

The following table sets out the trade receivables turnover days for the Track Record Period:

	FY2025	FY2026	3M2026
Trade receivables turnover days *(Note)*	29.2	19.4	7.9

Note: Trade receivables turnover day equals ending balance of trade receivables divided by revenue for the relevant year/period multiplied by the number of days in the relevant year/period.

Trade receivables turnover days were approximately 29.2 days, 19.4 days and 7.9 days For FY2025, FY2026 and 3M2026 respectively. The change in our trade receivables turnover days was generally in line with the fluctuation of our trade receivables from third parties during the years. Our trade receivables turnover days decreased to approximately 19.4 days for FY2026 which was mainly due to the decrease in trade receivables but increase in revenue. Our trade receivables turnover days further decreased to approximately 7.9 days for 3M2026 was mainly due to our Group's continuous effort to strengthen the collection of trade receivables.

The following table sets out the contract assets and trade receivables turnover days for the Track Record Period:

	FY2025	FY2026	3M2026
Contract assets and trade receivables turnover days *(Note)*	55.2	40.0	27.7

Note: Contract assets and trade receivables turnover day equals to the ending balance of contract assets and costs and trade receivables divided by revenue for the relevant year/period multiplied by the number of days in the relevant year/period.

Contract assets and trade receivables turnover days were approximately 55.2 days, 40.0 days and 27.7 days For FY2025, FY2026 and 3M2026, respectively. Our contract assets and trade receivables turnover days decreased to approximately 40.0 days for FY2026 which was mainly due to (i) the decrease in trade receivables as mentioned above; and (ii) the relatively stable in contract assets, despite the fact that our Group has significant increase in revenue recognised in FY2026 as there were more sizable on-going projects at 31 March 2026 which have made substantial progress of the contract activity ahead of the total amount of progress billings. Our contract assets and trade receivables turnover days further decreased at approximately 27.7 days for 3M2026 which was mainly due to (i) the decrease in trade receivables as mentioned above; and (ii) the relatively stable in contract assets, despite the fact that our Group has significant increase in revenue recognised in 3M2026.

As at the Latest Practicable Date (based on our Group's management accounts), approximately HK$1.4 million or 100.0% of the trade receivables outstanding as at 30 June 2026 has been subsequently settled. Having considered, among others, the credit history and the financial condition of the respective customers individually, our Directors consider that these outstanding trade receivable balances as at 30 June 2026 are recoverable and we have made adequate provision for trade receivables during the Track Record Period.

Deposits, other receivables and prepayments

The following table sets out the breakdown of deposits, other receivables and prepayments as at the dates indicated:

	As at 31 March		As at 30 June
	2025	**2026**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Deposits for surety bonds	1,397	669	669
Other receivable *(note)*	639	339	339
Prepayments	6	19	18
Prepaid **[REDACTED]**	—	—	**[REDACTED]**
Rental and utility expenses	299	202	224
Deposits	220	175	156
Total deposits, other receivables and prepayments	2,561	1,404	1,886

Note: Other receivable represented the receivable from the disposed site equipment.

Deposits for surety bonds represent collateral deposits placed with certain surety companies. Our Group has entered into certain surety bonds with surety companies in the ordinary course of demolition projects to guarantee contractual performance and payment obligations to customers.

Our deposits, other receivables and prepayments decreased by approximately HK$1.2 million as at 31 March 2026 primarily due to the decrease in the value of deposits paid to customers for tenders or secured contracts, that are fully refundable by customers upon completion of contractual demolition obligations.

Our deposits, prepayments and other receivables increased by approximately HK$0.5 million as at 30 June 2026 which was mainly due to the **[REDACTED]** prepaid for the purpose of the **[REDACTED]**.

Cash at banks

The carrying amounts of cash at banks are denominated in the following currencies:

	As at 31 March		As at 30 June
	2025	**2026**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
HK$	8,530	28,887	26,907
RMB	—	43	43
	8,530	28,930	26,950

Trade payables

The following table sets out the breakdown of our trade payables as at the dates indicated:

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Trade payables	11,621	4,197	2,744

Trade payables represented payables to third parties incurred in relation to the purchase of machinery parts and consumables and subcontractor charges. Our Group's trade payables to third parties are non-interest bearing and the credit terms of our trade payables to third parties granted by our subcontractors and suppliers were generally range from 0 to 90 days after the issuance of invoice. Our trade payables to third parties decreased from approximately HK$11.6 million as at 31 March 2025 to approximately HK$4.2 million as at 31 March 2026, and further decreased to HK$2.7 million for 30 June 2026, respectively, which was primarily due to the decrease in trade payables to third parties.

The following table sets forth our trade payables turnover days during the Track Record Period:

	FY2025	FY2026	3M2026
Trade payables turnover days *(Note)*	53.4	29.6	11.1

Note: Trade payables turnover days equals ending balance of trade payables to third parties divided by cost of services for the relevant year/period multiplied by the number of days in the relevant year/period.

Trade payables turnover days were approximately 53.4 days, 29.6 days and 11.1 days for FY2025, FY2026 and 3M2026 respectively. Our trade payables turnover days decreased to approximately 29.6 days for FY2026 which was mainly due to the payment effort of our Group. Our trade payables turnover days further decreased to approximately 11.1 days for 3M2026 was mainly due to the decrease in trade payables to third parties.

As at the Latest Practicable Date (based on our Group's management accounts), approximately HK$1.1 million or 38.3% of the trade payables outstanding as at 30 June 2026 has been subsequently settled.

Accruals and other payables

The following table sets out the breakdown of our accruals and other payables as at the dates indicated:

	FY2025	**FY2026**	**3M2026**
	HK$'000	*HK$'000*	*HK$'000*
Payroll payables	131	221	272
Professional service fees payable	949	1,060	1,078
Dividend payable	—	—	9,000
Accrued **[REDACTED]**	—	—	**[REDACTED]**
Others	372	150	150
Total accruals and other payables	1,452	1,431	11,950

Payroll payables

Payroll payables represented expenses which had been incurred but not yet paid such as salary payable to our staff and workers. As at 31 March 2025, 31 March 2026 and 30 June 2026, the increase of balances of payroll payables were primarily due to our increase of demolition works and business growth.

Professional service fee payable

Professional service fee payable represented the amount owed to professional third-party advisors for services that have already been rendered. The changes in our professional service fee payable represented the amount of professional service fee being paid as at the reporting dates.

Others

Others mainly represented provision made for litigation cases of HK$150,000 and these cases were still in progress as at the Latest Practicable Date.

Amounts due from shareholders

We recorded the amounts due from shareholders of approximately HK$27.6 million, HK$28.7 million and HK$16.4 million as at 31 March 2025, 31 March 2026 and 30 June 2026 respectively, which represented advanced to Mr. Lo Cheuk Pui, Mr. Lo Siu Kai, Ms. Mak Wai Chun, Mr. Lo Kam Kenny and Mr. Lo Siu Tong. Details of outstanding balance as at each reporting date are set out in note 29(b) to the Accountants' Report in Appendix I. The amounts due from shareholders are unguaranteed, unsecured, interest-free and repayable on demand. Such decrease mainly due to the offset of dividend.

Amounts due from related companies

We recorded the amounts due from related companies of approximately HK$0.9 million, HK$7.1 million and HK$4,000 as at 31 March 2025, 31 March 2026 and 30 June 2026 respectively, which represented advanced to Uni Construction Company Limited, controlled by Mr. Lo Cheuk Pui and Lek Hin Demolition Company Limited, a non-controlling interest of Power Construction. The amounts due from related companies are unsecured, interest-free and repayable on demand.

Provision for long service payment

Provision for long service payment represented the long service payment obligations for our employees in Hong Kong.

The Government gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") in June 2022, which came into effect from 1 May 2025. The Amendment Ordinance abolishes the statutory right of an employer to reduce its long service payment and severance payment payable to a Hong Kong employee by drawing on its mandatory contributions to the Mandatory Provident Fund scheme (also known as the "**offsetting mechanism**").

Pension costs are assessed using the projected unit credit cost method. The pension costs are spread over the service lives of employees. A full valuation of the defined benefit obligation is made based on the projected unit credit cost method.

Please refer to Note 25 to the Accountants' Report in Appendix I for details of our provision for long service payment.

LIQUIDITY AND CAPITAL RESOURCES

Our source of funds for our operations mainly comes from our internal generated funds, bank loans and other borrowings. Our primary uses of cash are for capital expenditures on machinery and equipment and payment to our employees, suppliers, subcontractors for working capital needs. Upon the **[REDACTED]**, our source of funds will be a combination of internal generated funds, bank loans and other borrowings and net **[REDACTED]** from the **[REDACTED]**.

As at 30 June 2026, being the latest practicable date for the purpose of the disclosure of our liquidity position, we had cash and bank balances of approximately HK$27.0 million.

Net current assets

The following table sets forth the breakdown of our Group's current assets and liabilities as at the dates indicated:

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Current assets			
Trade receivables	8,393	6,119	1,409
Contract assets	22,280	23,233	21,868
Deposits, other receivables and prepayments	2,561	1,404	1,886
Amounts due from related companies	897	7,130	4
Amounts due from shareholders	27,636	28,734	16,375
Cash at banks	8,530	28,930	26,950
Total current assets	70,297	95,550	68,492
Current liabilities			
Trade payables	11,621	4,197	2,744
Contract liabilities	172	6,317	865
Accruals and other payables	1,452	1,431	11,950
Lease liabilities	274	290	294
Bank borrowings	4,488	3,751	5,585
Income tax payables	4,403	9,153	10,492
Total current liabilities	22,410	25,139	31,930
Net current assets	47,887	70,411	40,970

As at 31 March 2025, 31 March 2026, and 30 June 2026, our net current assets amounted to approximately HK$47.9 million, HK$70.4 million and HK$36.6 million.

Our net current assets increased from approximately HK$47.9 million as at 31 March 2025 to approximately HK$70.4 million as at 31 March 2026 primarily due to the increase of our current assets as a result of (i) an increase in cash at banks of approximately HK$20.4 million; (ii) an increase in amounts due from related companies of approximately HK$6.2 million during the year; (iii) a decrease in trade receivables of approximately HK$2.3 million, and (iv) an increase in income tax payables of approximately HK$4.8 million.

Our net current assets decreased from approximately HK$70.4 million as at 31 March 2026 to approximately HK$36.6 million as at 30 June 2026 primarily due to the decrease of our current assets as a result of (i) the decrease in amounts due from related companies of approximately HK$7.1 million; (ii)

the decrease in amount due from shareholders of approximately HK$12.3 million; (iii) the decrease in trade receivables of approximately HK$4.7 million; (iv) the increase in other payables of approximately HK$10.6 million; and (v) the decrease in contract liabilities of approximately HK$5.4 million.

For reasons for the fluctuations of the balance sheet items mentioned above, please refer to the paragraph headed "Principal components of consolidated statements of financial position" in this section.

Cash flows

The following table sets forth a condensed summary of our consolidated statements of cash flows for the Track Record Period:

	FY2025	**FY2026**	**3M2026**
	HK$'000	*HK$'000*	*HK$'000*
Operating cash flows before working capital changes	13,007	31,835	12,083
Changes in working capital	(5,982)	(1,916)	207
Cash generated from operations	7,025	29,919	12,290
Income tax paid	(68)	(137)	(536)
Net cash generated from operating activities	6,957	29,782	11,754
Net cash generated used in investing activities	(1,239)	(8,195)	(3,451)
Net cash used in financing activities	(1,302)	(1,187)	(12,306)
Net increase/(decrease in cash and cash equivalents	4,416	20,400	(4,003)
Cash and cash equivalents at beginning of year/period	4,114	8,530	28,930
Cash and cash equivalents at end of year/period	8,530	28,930	24,927

Net Cash from Operating Activities

For FY2025, FY2026 and 3M2026, we recorded profit before taxation of approximately HK$10.3 million, HK$29.3 million and HK$11.4 million, net cash generated from operating activities of approximately HK$7.0 million, HK$29.8 million and HK$11.8 million respectively. Net cash generated from operating activities primarily consisted of profit before taxation, being adjusted for depreciation of property and equipment, right-of-use assets, gain on disposal of property and equipment, interest income, interest expense and net effect of changes in working capital.

For FY2025, we recorded net cash generated from operating activities of approximately HK$7.0 million, primarily as a combined effect of (i) approximately HK$13.0 million operating profit before working capital changes; and (ii) the decrease of amounts due from related companies of approximately HK$4.3 million, which was partially offset by (i) the increase in trade receivables of approximately HK$4.4 million; and (ii) the increase in contract assets of approximately HK$10.1 million and (iii) decrease in contract liabilities of approximately HK$2.8 million.

For FY 2026, we recorded net cash generated from operating activities of approximately HK$29.8 million, primarily as a combined effect of (i) approximately HK$31.8 million operating profit before working capital changes; (ii) decrease in trade receivables of approximately HK$2.3 million; (iii) increase in contract liabilities of approximately HK$6.1 million which was partially offset by (i) the

decrease in trade payables of approximately HK$7.4 million, (ii) the increase in contract assets of approximately HK$1.0 million; and (ii) the increase in due from related companies of approximately HK$3.1 million.

For 3M2026, we recorded net cash generated from operating activities of approximately HK$11.8 million, primarily as a combined effect of (i) approximately HK$12.1 million operating profit before working capital changes; (ii) the decrease in trade receivables of approximately HK$4.7 million, and which was partially offset by (iii) the decrease of trade payable of approximately of HK$1.5 million and the decrease in contract liabilities of approximately HK$4.4 million.

Cash flows used in investing activities

The following table sets forth the net cash generated from/(used in) investing activities during the Track Record Period:

For FY2025, our net cash used in investment activities was approximately HK$1.2 million which was mainly in relation to the proceeds from disposal of a property of approximately HK$3.0 million, which was partially offset by (i) our purchases of property and equipment of approximately HK$0.3 million and (ii) advances to shareholders of approximately HK$2.6 million.

For FY2026, our net cash used in investment activities was approximately HK$8.2 million which was mainly in relation to (i) the advance to shareholders of approximately HK1.1 million, (ii) our purchases of site equipment of approximately HK$4.0 million and (iii) advances to related companies of approximately HK$3.1 million.

For 3M2026, our net cash generated used in investing activities was approximately HK$3.5 million which was mainly in relation to (i) decrease in advance to shareholders of approximately HK$1.6 million which was partially offset by (ii) the purchases of property and equipment of approximately HK$0.9 million, and (iii) advances to related companies of approximately HK$4.1 million.

Cash flows used in financing activities

The following table sets forth the information on our cash flow used in financing activities during the Track Record Period:

For FY2025, our net cash used in financing activities was approximately HK$1.3 million and principally representing (i) interest paid of bank borrowings of approximately HK$0.2 million; (ii) repayment of obligation under leases of approximately HK$0.3 million; and (iii) repayment of bank borrowings of approximately HK$0.7 million.

For FY2026, our net cash used in financing activities was approximately HK$1.2 million and principally representing (i) repayment of obligation under leases of approximately HK$0.3 million; and (ii) repayment of bank borrowings of approximately HK$0.7 million.

For 3M2026, our net cash used in financing activities was approximately HK$12.3 million and principally representing payment of dividend of HK$12.0 million.

Working capital

Our Directors are of the opinion that, taking into consideration the internal resources presently available to our Group, cash generated from our operation, available banking facilities and the estimated net **[REDACTED]** to be received by us from the **[REDACTED]**, our Group has sufficient working capital for our present requirements, that is, for at least the next 12 months commencing from the date of this document.

Our Directors further confirm that they are not aware of any other factors that would have a material impact on our Group's liquidity.

INDEBTEDNESS

As at 30 June 2026, the latest practicable date for the purpose of the indebtedness statement above, our Group had outstanding indebtedness of approximately HK$5.9 million which comprised bank borrowings and lease liabilities. As at the Latest Practicable Date, there are no material covenants related to our outstanding debts that would materially limit our ability to undertake additional debt or equity financing.

Bank Borrowings

The table bellows sets out our Group's bank borrowings as at the respective financial position dates:

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Secured term loans from bank contain a repayment on demand clause (shown under current liabilities)	4,488	3,751	3,562
Secured bank overdraft repayment on demand clause	—	—	2,023
	4,488	3,751	5,585

Term loans repayable on demand are carried at amortised cost and denominated in HK$ as at the end of each reporting date which bear variable interests at the bank's best lending rate minus 2.25% per annum. Bank overdraft bears variable interests at higher of HIBOR plus a premium at 1.5% per annum or prime rate of the bank minus 0.375%. As at 31 March 2025 and 2026 and 30 June 2026, the effective interest rates of these borrowings are at 2.76%, 2.53% and ranging from 2.80% to 4.88% per annum, respectively.

At 31 March 2025 and 2026 and 30 June 2026, the bank borrowings were (i) secured by certain properties owned by a related company, of which Mr. Lo Kam Kenny, Mr. Lo Cheuk Pui, and Mr. Lo Siu Kai are the directors and beneficiary owners of the related company; (ii) guaranteed by the

Controlling Shareholders; and/or (iii) HKMC Insurance Limited. This term loan will be repaid by our Group upon **[REDACTED]** and the guarantee and indemnity provided by Controlling Shareholders will also be released upon **[REDACTED]**.

The term loans are granted to the Group under the SME Financing Guarantee Scheme of HKMC Insurance Limited and are secured by the personal guarantee from Mr Lo Kam Kenny and Mr Lo Cheuk Pui in aggregate amount of HK$6.0 million.

In addition, the Group obtained (i) a revolving loan facility in the amount of HK$5.5 million and an overdraft facility in the amount of HK$2.5 million from Nanyang Commercial Bank Limited (the "NCB Loan Facilities"). As at 31 March 2026 and 2025, none of the NCB Loan Facilities was utilised by the Company. The Nanyang Commerical Bank Limited Loan Facilities are secured by (i) the personal guarantee of HK$8.0 million each from Controlling Shareholders (ii) the building premises of a related company situated in Hong Kong.

As at the Latest Practicable Date, our Group obtained banking facilities totaling of approximately HK$14.0 million granted by banks in Hong Kong and we had available unutilised banking facilities of approximately HK$6.0 million.

Lease liabilities

Lease liabilities represent the aggregate lease payment obligations not yet fulfilled under the lease agreements. During the Track Record Period, we leased the land on which our head office building was located. By adopting the HKFRS 16 "Lease", leases are recognised as right-of-use assets, and corresponding liability at the date on which the leased assets are available for use by our Group. The following table sets forth the details of our current and non-current lease liabilities:

	As at 31 March		As at 30 June
	2025	**2026**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Current Portion	274	290	294
Non-current Portion	399	82	—
Total	673	372	294

* Our lease liabilities decreased from approximately HK$0.7 million as at 31 March 2025 to approximately HK$0.4 million as at 31 March 2026 which was mainly due to our repayment.

Contingent liabilities

On 19 July 2023, an individual who was employed by a subcontractor drove a heavy goods vehicle to transport construction waste materials from a construction site and was involved in an accident on a public road. The individual alleged that the accident was caused by an imbalance in the loading of construction waste materials in the skip of the vehicle. As such, the individual filed a civil litigation claim against Riseship Construction in the District Court for compensation for his injury on 13 May 2026.

In the view of the legal counsel, the litigation risk of the Group is low, due to (i) the individual was not an employee of the Group, and therefore the Group is remote from the individual and the accident; (ii) the accident occurred away from the site; (iii) the individual bore primary statutory duty to inspect the load and ensure the vehicle was safe before departure; (iv) preliminary police investigation suggests error of the individual; (v) the claim was brought outside the statutory period; and (vi) no other similar incidents happened in the site. The directors of the Company, based on the opinion of legal counsel, considered that the Group has a strong defence and is remote from the events giving rise to the claim and believed that no provision for the claim should be recognised at this stage.

As at the Latest Practicable Date, other than the above, our Group did not have other contingent liabilities that will have a material adverse effect on our financial position, liquidity or result of operation.

Our Directors confirm that, since the Latest Practicable Date and up to the date of this document, there has been no material change in the above indebtedness statement. Our Directors further confirm that, during the Track Record Period and up to the Latest Practicable Date, (i) there was no material covenant on any of outstanding indebtedness or any breach thereof; and (ii) our Group had not experienced any default in repayment of bank loans and other borrowings.

KEY FINANCIAL RATIOS

	FY2025	FY2026	3M2026
Gross profit margin (%) *(Note 1)*	24.6	28.8	34.3
Profit margin (%) *(Note 2)*	11.2	17.7	21.9
Interest coverage ratio (times) *(Note 3)*	52.8	197.5	293.3

	As at 31 March		As at 30 June
	2025	2026	2026
Current ratio (times) *(Note 4)*	3.1	3.8	2.1
Quick ratio (times) *(Note 5)*	3.1	3.8	2.1
Gearing ratio (%) *(Note 6)*	10.4	5.6	14.6
Net debt to equity ratio (times) *(Note 7)*	0.1	0.1	0.1
Return on total assets (%) *(Note 8)*	11.9	24.3	38.9
Return on equity (%) *(Note 9)*	17.5	32.9	23.5

Notes:

1. Gross profit margin is calculated as gross profit for the year/period divided by revenue.

2. Profit margin is calculated as profit for the year/period divided by revenue.

3. Interest coverage ratio is calculated as profit before finance costs and income tax divided by finance costs for the respective year/period.

4. Current ratio is calculated as current assets divided by current liabilities as at the respective reporting dates.

5. Quick ratio is calculated as current assets minus inventories, then divided by current liabilities as at the respective reporting dates.

6. Gearing ratio is calculated as obligations under borrowings and lease liabilities divided by total equity as at the respective reporting dates.

7. Net debt to equity ratio is calculated as net debts (i.e. total borrowings, including lease liabilities and payables incurred not in the ordinary course of business) divided by total equity as at the respective reporting dates.

8. Return on total assets is calculated as profit for the year/period divided by the total assets as at the respective reporting dates.

9. Return on equity is calculated as profit for the year/period divided by the total equity as at the respective reporting dates.

Gross profit margin

Our gross profit margin was approximately 24.6%, 28.8% and 34.3% For FY2025, FY2026 and 3M2026 respectively. For analysis of our gross profit margin, please refer to the paragraph headed "Principal components of the consolidated statements of comprehensive income — Gross profit and gross profit margin" in this section.

Profit margin

Our profit margin was approximately 11.2%, 17.7% and 21.9% For FY2025, FY2026 and 3M2026, respectively. For analysis of our net profit margin, please refer to the paragraph headed "Principal components of the consolidated statements of comprehensive income — Net profit and net profit margin" in this section.

Interest coverage ratio

Our interest coverage ratio increased from approximately 52.8 times for FY2025 to approximately 197.5 times for FY2026. Such increase was primarily due to the increase in our operating profit since our finance cost remain nearly the same. Our interest coverage ratio further increased to approximately 293.3 times for 3M2026 due to increase in our operating profit and the decrease of our finance cost for 3M2026.

Current ratio and quick ratio

The current ratio remained stable at approximately 3.1, 3.8 and 2.1 as at 31 March 2025 and 2026 and 30 June 2026, respectively.

Our quick ratio as at 31 March 2025 and 2026 and 30 June 2026 remained stable as approximately 3.1, 3.8 and 2.1 and was same as the current ratio.

Gearing ratio

Our gearing ratio decreased from approximately 10.4% as at 31 March 2025 to approximately 5.6% as at 31 March 2026. The decrease was mainly attributable to increase in total equity as a result of profit generated in FY2026. Our gearing ratio increased from approximately 5.6% as at 31 March 2026 to approximately 14.6% as at 30 June 2026. The increase was mainly attributable to decrease in total equity as a result of dividend declared/paid in 3M2026.

Net debt to equity ratio

Our net debt to equity ratio remained stable at approximately 0.1, 0.1 and 0.1 as at 31 March 2025 and 2026 and 30 June 2026 given the changes in the net debt were in line with the changes in the total equity.

Return on total assets

Our return on total assets increased from approximately 11.9% as at 31 March 2025 to approximately 24.3% as at 31 March 2026 which was mainly due to the increase in our gross profit for the same year. Our return on total assets in increase to approximately 38.9% as at 30 June 2026 which was mainly due to the decrease in total assets in 3M2026.

Return on equity

Our return on equity increased from approximately 17.5% as at 31 March 2025 to approximately 32.9% as at 31 March 2026, and decreased to approximately 23.5% as at 30 June 2026 primarily due to the change in our profit during the relevant years/period as explained above.

CONTRACTUAL COMMITMENTS

Capital commitments

Our capital commitments primarily relate to the acquisition of plant and equipment. As at 31 March 2025 and 2026 and 30 June 2026, we had no significant capital commitments contracted in respect of the acquisition of plant and equipment.

OFF-BALANCE SHEET ARRANGEMENTS

An off-balance sheet arrangement is any transaction, agreement or other contractual arrangement involving another entity under which we have made guarantees or any obligation arising out of a material variable interest in another entity that provides financing, liquidity, market risk or credit risk support to us, or that engages in leasing, hedging, or research and development arrangements with us. During the Track Record Period and up to 30 June 2026, save as the contingent liabilities disclosed above, we did not have any off-balance sheet arrangements.

CAPITAL EXPENDITURES

During the Track Record Period, our Group's capital expenditures principally consisted of expenditures for additions of property and equipment for our operations.

For FY2025, FY2026 and 3M2026, our Group incurred capital expenditures of approximately HK$0.3 million, HK$4.0 million and HK$0.9 million mainly for the additions of furniture and equipment, motor vehicles and site equipment. Our Directors consider that the continued investments in site equipment and motor vehicles are necessary in order to, among others, cater for demolition works of different scales and complexities and improve our capacity and technical capability in performing our demolition works. In particular, our expenditures for additions of property and equipment for FY2025, FY2026 and 3M2026, was in line with the increasing demand of our demolition services.

RELATED PARTY TRANSACTIONS

For details of related party transactions, please refer to Note 29 of the accountants' report set out in Appendix I to this document. Our Directors confirm that the transactions set forth therein was conducted in accordance with the terms as agreed between us and the respective related parties, and on an arm's length basis and did not distort our results of operation for the Track Record Period or make our historical results not reflective of our future performance.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

During the Track Record Period, we are principally subject to interest rate risk, credit risk and liquidity risk. Please refer to Note 31 to the Accountants' Report for further details.

DIVIDENDS AND DIVIDEND POLICY

For FY2025, FY2026, 3M2025 and 3M2026, the Group declared dividends of nil, nil, nil and HK$43.0 million, respectively.

During 3M2026, members of our Group declared dividends of approximately HK$21.0 million and of approximately HK$22.0 million to their then shareholders, which will be settled in cash and offsetting against the aggregate amounts due from our Controlling Shareholders to our Group, respectively.

We do not have any formal dividend policy or predetermined dividend payout ratio. Any future declarations and payments of dividends will be at the discretion of our Directors, subject to certain restrictions under Cayman Islands law, and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. Our Company may declare dividend (a) out of profits of our Company if our Company has sufficient profits, realised or unrealised, unless such is contrary to the accounting principles adopted by our Company or (b) out of the share premium of our Company if, in each case, following the date on which the dividend is proposed to be paid, our Company is able to pay its debts as they fall due in the ordinary course of business. In determining whether to declare a dividend, our Board will need to be satisfied that the declaration of dividend is in the best interest of our Company and may make provision for losses.

We have not adopted any predetermined dividend payout ratio to be effective after the **[REDACTED]**.

DISTRIBUTABLE RESERVES

As at 30 June 2026, our Company did not have any distributable reserves available for distribution to equity holders.

[REDACTED] ADJUSTED NET TANGIBLE ASSETS

Please refer to the paragraph headed "A. **[REDACTED]** Statement of Adjusted Consolidated Net Tangible Assets" set out in Appendix II to this document.

[REDACTED]

The total amount of **[REDACTED]** represents professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]** is estimated to be approximately HK$**[REDACTED] [REDACTED]** (based on the mid-point of the indicative **[REDACTED]** range and assuming the **[REDACTED]** is not exercised), representing approximately **[REDACTED]**% of our estimated gross **[REDACTED]** from the **[REDACTED]** (based on the mid-point of the indicative **[REDACTED]** range and assuming the **[REDACTED]** is not exercised). We estimate that our **[REDACTED]**, comprising (i) **[REDACTED]** expenses, including **[REDACTED]**, of approximately HK$**[REDACTED] [REDACTED]**; and (ii) **[REDACTED]** expenses of approximately HK$**[REDACTED] [REDACTED]**, including (a) fees paid and payable to legal advisers and the Reporting Accountants of approximately HK$**[REDACTED] [REDACTED]**; and (b) other fees and expenses of approximately HK$**[REDACTED] [REDACTED]**. The **[REDACTED]** of: (i) approximately HK$**[REDACTED]**

[REDACTED] is directly attributable to the **[REDACTED]** of the **[REDACTED]** and is to be accounted for as a deduction from equity in accordance with the relevant accounting standards; and (ii) approximately HK$**[REDACTED] [REDACTED]** has been or is to be charged to the consolidated statements of profit or loss. Expenses in relation to the **[REDACTED]** are non-recurring in nature.

DISCLOSURE REQUIRED UNDER THE GEM LISTING RULES

Our Directors have confirmed that, as at the Latest Practicable Date, there are no circumstances which would have given rise to any disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

RECENT DEVELOPMENT AND MATERIAL ADVERSE CHANGE

Our Directors confirm that our business operations and business model have remained stable after the Track Record Period and up to the date of this document as there were no material changes to our business model and the general economic and regulatory environment in which we operate.

For our recent development subsequent to the Track Record Period, please see the paragraph headed "Summary — Recent Development and No Material Adverse Change".

Our Directors confirm that, save for the expenses in connection with the **[REDACTED]**, since 30 June 2026 and up to the date of this document, there had been no material adverse change in our financial or trading position, and there had been no event which would materially affect the information shown in the Accountants' Report in Appendix I to this document.

Decline in financial performance for FY2027

Our Group expects a substantial decrease in net profit for FY2027 as compared to that for FY2026, which is mainly due to the impact of a higher **[REDACTED]** and addition to depreciation of machinery.

BUSINESS OBJECTIVES AND STRATEGIES

Our principal business objective is to strengthen our market position, increase our market share and capture the growth in the construction industry. For details of our business strategies and future plans, please refer to the paragraph headed "Business — Business strategies" in this document and the paragraph headed "**[REDACTED]**" this section below.

Our Group's actual course of business may vary from the business objectives as set out in this document. There can be no assurance that the plans of our Group will materialise in accordance with the expected timeframe or that the business objectives of our Group will be achieved at all.

REASONS FOR THE [REDACTED] AND THE [REDACTED]

Our Directors believe that the **[REDACTED]** is beneficial to our Company and our Shareholders as a whole for the following reasons:

(i) the net **[REDACTED]** from the **[REDACTED]** will provide additional financial resources to our Group for our business plans as set out in the paragraph headed "Business — Business strategies" in this document, which will further strengthen our market position and enable us to capture the future opportunities arising from the growth of the construction industry in Hong Kong;

(ii) a **[REDACTED]** status will enhance our corporate profile and recognition and enable our Group to be considered more favourably by our customers when competing for or securing contracts for demolition and other construction works projects, given that a **[REDACTED]** company is subject to ongoing regulatory compliance for announcements, financial disclosures and corporate governance;

(iii) the **[REDACTED]** will provide a **[REDACTED]** platform for our Company, thereby enabling us to raise the capital required to finance our future growth and expansion plans without reliance on our Controlling Shareholders. This would allow us to gain direct access to the capital market for equity and/or debt financing, both at the time of the **[REDACTED]** and in the future, to fund existing our business operations and future development plans. Such access to capital is expected to be instrumental to our business expansion, improve our operating and financial performance, and ultimately enhance returns to our Shareholders; and

(iv) upon the **[REDACTED]**, our Shares will be **[REDACTED]** on GEM of the Stock Exchange, thereby providing us with a broader shareholder base, which could in turn lead to a more liquid market for the **[REDACTED]** of our Shares.

Funding needs for implementing our business strategies

(i) Our available working capital is not sufficient to finance our future development plans

As at 30 June 2026, our available working capital amounted to approximately HK$30.9 million, comprising: (i) our cash and cash equivalents of approximately HK$24.9 million; and (ii) our available unutilised banking facilities of approximately HK$6.0 million. For further details, please refer to the paragraphs headed "Financial Information — Net current assets" and "Financial Information — Indebtedness" in this document. Our Directors consider that the amount of our available working capital fluctuates from time to time, mainly depending on the timing of payment from our customers and payment to our suppliers and subcontractors. Therefore, the amount of our available working capital as at a particular date may not fully reflect our general liquidity position.

Further, we had experienced significant growth in the scale of our operations during the Track Record Period, which is evidenced by the increase in our revenue from approximately HK$77.3 million in FY2025 to approximately HK$136.8 million in FY2026, while our revenue in 3M2026 amounted to approximately HK$43.2 million as compared to approximately HK$30.0 million in 3M2025. Meanwhile, our cost of services (namely, costs directly related to our projects, which principally comprised subcontractor charges, direct labour costs, raw materials, consumables and other overheads and transportation expenses) increased from approximately HK$58.2 million in FY2025 to approximately HK$97.4 million in FY2026, while our cost of services in 3M2026 amounted to approximately HK$28.4 million as compared to approximately HK$21.2 million in 3M2025. As at the Latest Practicable Date, the closing value of our backlog) amounted to approximately HK$61.0 million. During the Track Record Period, our cost of services increased as our revenue increased. Accordingly, our Directors expect that we will have to incur higher amount of expenses to support our future operations as our business continues to grow.

Out of our available working capital of approximately HK$30.9 million as at 30 June 2026, our Group had reserved a sum of approximately HK$10.5 million for settlement of our current tax liabilities of approximately HK$10.5 million as at 30 June 2026. Further, we had outstanding bank borrowings of approximately HK$5.6 million as at 30 June 2026, comprising (i) secured term loans from bank containing a repayment on demand clause amounting to approximately HK$3.6 million, which have been guaranteed by our Controlling Shareholders and would be repaid upon the **[REDACTED]**; and (ii) secured bank overdraft containing a repayment on demand clause amounting to approximately HK$2.0 million.

Based on the above analysis, after reserving approximately HK$9.0 million for dividend payable, reserving approximately HK$10.5 million for settlement of our current tax liabilities and approximately HK$5.6 million for repayment of the said bank borrowings, and without taking into account other transactions which took place after the Latest Practicable Date, our available working capital as at the Latest Practicable Date was approximately HK$5.8 million.

In view of the aforesaid, our Directors consider that our current available working capital would not have sufficient room for our future development plans such as acquiring machinery and equipment, research and development, expanding our manpower and/or undertaking additional projects which would inevitably require more available cash for up-front costs and general working capital. Therefore, our Directors consider that we will need to raise additional funding through the **[REDACTED]** to facilitate the implementation of our future development plans, while reserving our current available working capital for our existing business operations.

(ii) Our internal resources may not be sufficient to support the implementation of our business strategies

We intend to pursue the business strategies set out in the paragraph headed "Business — Business strategies" in this document and the paragraph headed "**[REDACTED]**" in this section below. Such future development plans would require a total sum of approximately HK$**[REDACTED]**, and our Directors consider that we could not finance such development plans solely by our internal resources without adversely affecting our financial position and liquidity. In particular, our Group recorded net cash generated from operating activities of approximately HK$7.0 million and HK$29.8 million in FY2025 and FY2026, respectively. Assuming that, in the absence of the net **[REDACTED]** of the **[REDACTED]**, our Group would utilise up to HK$**[REDACTED]** out of our net cash generated from operating activities in each financial year to finance our future development plans, it would take us approximately eight years to implement such development plans. Further, there is uncertainty in making estimation about the level of our operating cash inflow over a timespan of approximately eight years, as the level of net cash generated from operating activities may fluctuate from time to time and is affected by factors beyond our control, including, among other things the timing and amount of billing to and receipts from our customers and the amount and timing of payments to our suppliers and subcontractors. There is no guarantee that we will be able to generate sufficient cash inflow from our operating activities in the forthcoming years to support our future development plans. Even if we could accumulate sufficient cash inflow from our operating activities to support our future development plans within the said timeframe of approximately eight years, by that time, we may have lost the opportunity to fully capture the forecasted growth in building demolition and the construction industry more generally from 2026 to 2030 as stated in the Frost & Sullivan Report.

Having considered the above, our Directors are of the view that, as compared to relying on our operating cash inflow, equity financing can provide the necessary funding for our Group to pursue our business strategies under our future development plans in a timely manner.

(iii) Benefits of [REDACTED] financing over debt financing

Our Directors consider that it is in the interests of our Group and our Shareholders as a whole to proceed with **[REDACTED]** financing in the form of the **[REDACTED]**, which would be more sensible and preferable as an efficient and sustainable fund-raising platform as compared to debt financing in the form of bank borrowings, taking into account, among other things, that:

- We have previously applied to four lending companies in Hong Kong each of an unsecured loan facility in the amount of HK$10.0 million. Each of these lending companies has rejected our applications after their credit approval evaluations as they normally did not grant any loan facility to private company unless the applicant and/or its shareholder(s) could provide acceptable assets as security. As at 30 June 2026, we did not own any leasehold property and

the net carrying amount of our property and equipment (comprising leasehold improvements, furniture and equipment, motor vehicles and site equipment) amounted to only approximately HK$3.9 million. Therefore, our Group did not have sufficient available assets to provide for the required loan security.

- The proceeds drawn from the banking facilities are subject to repayment obligations for the principal amount and associated interest expenses, and we may encounter risk of default which would entitle the bank to demand immediate repayment of all the outstanding loan amount and other enforcement actions against us in the event that we are unable to generate sufficient cash inflow from our operating activities during the repayment period.

- A rise in interest rate or any sudden unexpected deterioration in the prevailing market conditions in Hong Kong may lead to imposition of additional requirement to regular repayment of interest and principal, which may negatively affect our financial performance and liquidity. By comparison, the **[REDACTED]** from the **[REDACTED]** will become our equity without any additional financial repayment obligations towards our Shareholders under normal circumstances.

- Based on our equity attributable to equity holders as at 30 June 2026, it is estimated that our gearing ratio would increase if we fully finance our future plans by debt financing, which may adversely affect our financial credibility and financial condition and limit our future ability to obtain further financing from financial institutions to support our daily operations and business expansion.

- If we raise additional funds by incurring debt financing, we may be subject to various covenants under the relevant debt instruments that may, among others, restrict our business operation or ability to obtain additional financing or pay dividend.

[REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range of HK$**[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]**, and after deducting related **[REDACTED]** fees and estimated expenses in connection with the **[REDACTED]** and the **[REDACTED]** is not exercised, our Group estimates that the aggregate net **[REDACTED]** to our Company from the **[REDACTED]** will be approximately HK$**[REDACTED]** million. We intend to apply such net **[REDACTED]** in the following manner:

(a) Funding upfront costs of our projects

Approximately HK$**[REDACTED]** million, representing approximately **[REDACTED]**% of the estimated net **[REDACTED]**, will be used to fund the upfront costs and expenses of our projects, including, among others, the costs of site workers, engagement of subcontractors, purchase of construction materials, arranging or hiring the requisite machinery and equipment, as well as purchasing the requisite insurances to cover the potential liabilities of our Group and our subcontractors in compliance with the applicable laws and regulations.

As a main contractor, we are normally required to pay for such upfront costs, which generally: (i) are payable before the commencement and during the early stages of the building demolition and other construction work projects; (ii) will materialise in the project with the estimated amount fixed and subject to terms of the contract specific to the project; and (iii) are paid in circumstances that are reasonably foreseeable by our Group. The purpose of reserving the upfront costs is to satisfy upfront cost requirements before we receive first progress payments from our customers. Based on the reasonable estimation of our Directors with reference to our historical projects during the Track Record Period, we are generally required to pay in advance or reserve a sum amounting to approximately 20% of the total contract sum to satisfy the upfront cost requirement.

The said sum of approximately HK$**[REDACTED]** to be used to fund the upfront costs of our projects shall comprise: (i) approximately HK$**[REDACTED]** to be applied to two projects which had been awarded to our Group but which had not been commenced as at the Latest Practicable Date; and (ii) approximately HK$**[REDACTED]** to be applied to other potential new projects which we tendered and may be awarded to our Group before the **[REDACTED]** and/or other potential new projects, as will be further elaborated below:

(i) Upfront costs of projects awarded to our Group

	Project	Customer	Type(s) of works	Type(s) of building/ structure	Expected commencement date	Contract sum *(HK$'million)*	Amount of net [REDACTED] to be applied to the project *(Note 1)* *(HK$'million)*
1.	Project no. K	Customer Group H	Demolition and hoarding works	Residential	Fourth quarter of 2026 to first quarter of 2027	**[REDACTED]**	**[REDACTED]**
2.	Project no. L	Customer M	Demolition and hoarding works	Commercial	N/A*(Note 2)*	**[REDACTED]**	**[REDACTED]**
					Total:	**[REDACTED]**	**[REDACTED]**

Notes:

1. The amount of net **[REDACTED]** to be applied to each potential new project is calculated based on our experience in previous projects during the Track Record Period, which generally amounted to approximately **[REDACTED]**% of the total contract sum which we need to reserve in advance to satisfy the upfront costs.

2. The commencement of works for this project will be subject to the execution of the formal contract between our Group and the customer, which remained pending as at the Latest Practicable Date. However, based on arrangements agreed with the customer, we commenced certain preliminary works in August 2026, namely the removal of unauthorized building works at the project site.

(ii) Upfront costs of potential new projects

During the period from 1 July 2026 to the Latest Practicable Date, we submitted tenders and quotations for a total of seven projects, of which two projects had been awarded to our Group, and the results of our tenders and quotations for five other projects were yet to be known as at the Latest Practicable Date.

As set out in the paragraph headed "Business — Tender or quotation — Award of contract — Tender/quotation success rate" in this document, the success rates of our tenders and quotations for FY2025, FY2026 and 3M2026 were approximately 25.6%, 26.3% and 28.6%, respectively, representing an average success rate of approximately 26.8% during the said years/period.

Thus, out of the said five potential new projects for which we had submitted tenders or quotations, the Directors expect that we may be further awarded one to two projects based on the historical success rates of our tenders and quotations. Such potential new projects include projects for demolition and hoarding works, maintenance works, alterations and additions works, and superstructure works, with estimated total contract sum (based on the pricing in the tenders and quotations submitted by us) of approximately HK$387.5 million.

We intend to apply approximately HK$**[REDACTED] [REDACTED]** out of the net **[REDACTED]** of the **[REDACTED]** to fund the upfront costs of such potential new projects and/or other new projects to be tendered by our Group after the Latest Practicable Date, which will be applied depending on the outcome of our tenders and quotations and the order in which we obtain such potential new projects.

Although our Directors are confident that we will be able to achieve business growth in the future, there is no assurance that we will succeed in our tenders and quotations. Should we be unable to obtain the potential new projects as scheduled, we will continue to submit tenders and quotations actively for alternative projects and utilise the net **[REDACTED]** to finance the upfront cost requirements of such alternative projects. On the other hand, if the upfront cost requirements during any year/period is larger than our allocated net **[REDACTED]**, we will utilise our internal resources and/or debt financing to finance the outstanding upfront cost requirements.

(b) Acquisition of machinery

Approximately HK$**[REDACTED] [REDACTED]**, representing approximately **[REDACTED]**% of the estimated net **[REDACTED]**, will be used to acquire new machinery, as follows:

Cost items	**Number of units**	**Approximate price per unit** *(HK$ million)*	**[REDACTED]** *(HK$ million)*
Acquisition costs			
— Long boom excavator	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
— Demolition robot — lightweight	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
— Demolition robot — heavy duty	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Related installation and setup costs	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
		Total:	**[REDACTED]**

As set out in the paragraph headed "Business — Business strategies — Strengthen our machinery" in this document, while we have leased the majority of the machinery and equipment used in the performance of our projects, we intend to acquire machinery to enable us to further enhance our work site safety and efficiency, while lowering our project costs and reducing reliance on third party machinery and equipment leasing service providers.

(c) Further enhancing our quality, efficiency and safety standards

Approximately HK$**[REDACTED]** million, representing approximately **[REDACTED]**% of the estimated net **[REDACTED]**, will be used to invest in the research and development of AI and other innovative technologies for application in our business operations to further enhance our quality, efficiency and safety standards, in particular:

(i) approximately HK$**[REDACTED]** million, representing approximately **[REDACTED]**% of the estimated net **[REDACTED]**, will be applied to the research and development of an automated vibration monitoring system which integrates IoT and reinforcement learning for structural health monitoring of temporary propping used in top-down mechanical demolition works; and

(ii) approximately HK$**[REDACTED]** million, representing approximately **[REDACTED]**% of the estimated net **[REDACTED]**, will be applied to the research and development of an AI-enhanced site safety monitoring system for the identification and prevention of potential safety risks and hazards in construction works.

We have entered into a memorandum of understanding with external service providers in Hong Kong for the purpose of the research and development of each of the above technologies. Through such investment in research and development, we aim to enhance our technical capability to streamline our operational processes and further improve the quality, efficiency and safety standards in the implementation and execution of our projects, thereby strengthening our competitiveness and strategic position in the evolving construction industry in Hong Kong, while enabling our Group to exercise more effective control of our project costs.

The following table sets out the particulars and breakdown of costs of research and development of the automated vibration monitoring system and AI-enhanced site safety monitoring system mentioned above:

System	**Components**	**Estimated costs** *HK$*
Automated vibration monitoring system	Hardware (sensors, IoT system, edge computing, AI server, end tools)	**[REDACTED]**
	Manpower (CTO, AI Engineer, Mechatronic Engineer, Technicians — 24 months)	**[REDACTED]**
	Patent applications (2 filings)	**[REDACTED]**
	Journal publications (2 papers)	**[REDACTED]**
	Contingency	**[REDACTED]**
	Total	**[REDACTED]**

System	Components	Estimated costs *HK$*
AI-enhanced site safety monitoring system	Development of the Centralised Management Platform for the Intended System	**[REDACTED]**
	Demolition AI Vision & Algorithmic Engine	**[REDACTED]**
	Procurement of Hardware and software (IoT Devices & Edge Devices)	**[REDACTED]**
	e-PTW & Asset Tracking	**[REDACTED]**
	On-site Testing, POC & Certification	**[REDACTED]**
	Intellectual Property, patent application & maintenance	**[REDACTED]**
	Total	**[REDACTED]**

In the event that the net **[REDACTED]** of the **[REDACTED]** are insufficient to cover the above costs, our Group plans to fund the shortfall by internal resources such as cash flows from operations.

(d) Strengthening our manpower

Approximately HK$**[REDACTED]** million, representing approximately **[REDACTED]**% of the estimated net **[REDACTED]**, will be used to strengthen our manpower. In particular, we intend to recruit the following additional staff:

Position	Experience/qualifications	Number of staff to be recruited	Monthly salary for each staff *HK$*	Total salary expenses per month *HK$*
Project manager	At least five years of local experience in the construction industry (including at least three years of experience in building demolition sector)	1	**[REDACTED]**	**[REDACTED]**
Technical officer	At least five years of local experience in the construction industry (including at least three years of experience in building demolition sector)	1	**[REDACTED]**	**[REDACTED]**
Technical staff	At least three years of local experience in the construction industry (including at least two years of experience in building demolition sector)	1	**[REDACTED]**	**[REDACTED]**
Site supervisor	At least three years of local experience in the construction industry (including at least two years of experience in building demolition sector)	2	**[REDACTED]**	**[REDACTED]**
Safety officer	Registration with the Labour Department to act as safety officer under the Factories and Industrial Undertakings (Safety Officers and Safety Supervisors) Regulations	1	**[REDACTED]**	**[REDACTED]**

Position	Experience/qualifications	Number of staff to be recruited	Monthly salary for each staff *HK$*	Total salary expenses per month *HK$*
Environmental officer	Bachelor's degree in environmental science, biology, geography, or a related field	1	[REDACTED]	[REDACTED]
Administrative staff	N/A	1	[REDACTED]	[REDACTED]
Total:		**8**	**/**	**[REDACTED]**

(e) General working capital

Approximately HK$**[REDACTED] [REDACTED]**, representing approximately **[REDACTED]**% of the estimated net **[REDACTED]**, will be used for general working capital.

Our Directors believe that the **[REDACTED]** will broaden our **[REDACTED]** and capital base, provide a **[REDACTED]** platform for future growth and expansion, and strengthen our financial flexibility. Part of the **[REDACTED]** will be applied towards our general working capital, which will support our day-to-day operations and facilitate the implementation of our business strategies.

IMPLEMENTATION PLANS

The following table sets forth a breakdown of how the estimated net **[REDACTED]** to be received by us from the **[REDACTED]** are intended to be applied and the timing of application:

[REDACTED]	From the Latest Practicable Date to 31 March 2027 *(HK$'million)*	From the Latest Practicable Date to 31 March 2028 *(HK$'million)*	Total *(HK$'million)*	Portion of estimated net [REDACTED] *%*
Funding upfront costs of our projects	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Acquisition of machinery	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Further enhancing our quality, efficiency and safety standards				
— research and development of an automated vibration monitoring system for structural health monitoring of temporary propping	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— research and development of AI-enhanced site safety monitoring system	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Strengthening our manpower	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total:	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

BASES AND ASSUMPTIONS

Our Directors have adopted the following principal assumptions in the preparation of the above implementation plans:

(i) the **[REDACTED]** will be completed in accordance with and as described in the section headed "Structure and conditions of the **[REDACTED]**" in this document;

(ii) our Group will be able to continue our operations in substantially the same manner as we have been operating during the Track Record Period and up to the Latest Practicable Date, and we will be able to carry out the implementation plans without adversely affecting our operations;

(iii) our Group will not be materially affected by any risk factor set out in the section headed "Risk factors" in this document, and there will be no disasters, natural, political or otherwise, which would materially disrupt the business operations of our Group;

(iv) there will be no changes in the effectiveness of the licences, registrations, permits and qualifications obtained by our Group;

(v) our Group will be able to retain our major customers and suppliers; and

(vi) there will be no material changes in the existing political, legal, fiscal or economic conditions, and in the bases or rates of taxation in Hong Kong, and any other place in which any member of our Group carries on or will carry on its business.

There can be no assurance that the net **[REDACTED]** from the **[REDACTED]** will be sufficient for fully implementing our business expansion plans. In the event any of the above principal assumptions no longer applies or that the **[REDACTED]** becomes unsuccessful such that the net **[REDACTED]** from the **[REDACTED]** become unavailable to us, we may adjust the timing and scale of our business expansion plans and/or seek alternative form of financing.

To the extent that the net **[REDACTED]** are not immediately applied to the above purposes and to the extent permitted by the applicable laws and regulations, we will deposit the net **[REDACTED]** into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the SFO or applicable laws or regulations in other jurisdictions).

In the event that the **[REDACTED]** is exercised in full, we estimate that we will receive additional net **[REDACTED]** of approximately HK$**[REDACTED]** **[REDACTED]** after deducting the related **[REDACTED]** and assuming an **[REDACTED]** **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** **[REDACTED]** range of HK$**[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]**. In the event that the **[REDACTED]** **[REDACTED]** is set at the low-end of the indicative **[REDACTED]** **[REDACTED]** range and the **[REDACTED]** is exercised in full, our Company will receive additional net **[REDACTED]** of approximately HK$**[REDACTED]** after deducting the related **[REDACTED]**. In the event that the **[REDACTED]** **[REDACTED]** is set at the high-end of the indicative **[REDACTED]** **[REDACTED]** range and the **[REDACTED]** is exercised in full, our Company will receive additional net **[REDACTED]** of approximately HK$**[REDACTED]** after deducting the related **[REDACTED]**. The allocation of the additional net **[REDACTED]** will be used in the same proportion as the original net **[REDACTED]**.

In the event that the **[REDACTED] [REDACTED]** is set at the highest or lowest point of the indicative **[REDACTED] [REDACTED]** range, and assuming the **[REDACTED]** is not exercised, the net **[REDACTED]** to be received from the **[REDACTED]** after deducting the related **[REDACTED]** fees and estimated expenses in connection with the **[REDACTED]** will increase or decrease by approximately HK$**[REDACTED]**, respectively, as compared to the net **[REDACTED]** to be received based on the mid point of the indicative **[REDACTED] [REDACTED]** range. In such event, the net **[REDACTED]** will be used in the same proportions as disclosed above and will be increased or decreased correspondingly.

We will issue an announcement in the event that there is any material change in the **[REDACTED]** of the **[REDACTED]** as described above.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The following is the text of a report received from the Company's independent reporting accountants, Moore CPA Limited and Ascenda Cachet CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.





ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CHEUK POWER INTERNATIONAL HOLDING LIMITED AND PATRONS CAPITAL LIMITED

Introduction

We report on the historical financial information of Cheuk Power International Holding Limited (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-4 to I-47, which comprises the consolidated statements of financial position of the Group as at 31 March 2025 and 2026 and 30 June 2026, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended 31 March 2025 and 2026 and the three months ended 30 June 2026 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-4 to I-47 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the "**Document**"), in connection with the initial **[REDACTED]** of the shares of the Company on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 2.2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "*Accountants' Reports on Historical Financial Information in Investment Circulars*" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 2.2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at 31 March 2025 and 2026 and 30 June 2026, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in note 2.2 to the Historical Financial Information.

Review of the Stub Period Comparative Financial Information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months ended 30 June 2025 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in note 2.2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in note 2.2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on GEM of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 13 to the Historical Financial Information which contains information about the dividends declared or paid by a subsidiary of the Company and states that no dividends have been paid by the Company in respect of the Track Record Period.

No historical financial statements for the Company

No financial statements have been prepared for the Company since the date of its incorporation.

Moore CPA Limited
Certified Public Accountants
Hong Kong, [Date]

Hung Wan Fong Joanne
Practising Certificate Number: P05419

Ascenda Cachet CPA Limited
Certified Public Accountants
Hong Kong, [Date]

Chan Yuk Tong
Practising Certificate Number: P03723

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with HKFRS Accounting Standards issued by the HKICPA and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 March		Three months ended 30 June	
		2025	2026	2025	2026
	Notes	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Revenue	*7*	77,280	136,800	29,970	43,190
Cost of services		(58,239)	(97,399)	(21,158)	(28,359)
Gross profit		19,041	39,401	8,812	14,831
Other income and other gains	*8*	491	776	139	30
Administrative and other operating expenses		(9,068)	(10,746)	(2,413)	(2,336)
[REDACTED]		—	—	—	[REDACTED]
Finance costs	*9*	(198)	(149)	(42)	(39)
Profit before income tax	*10*	10,266	29,282	6,496	11,399
Income tax expense	*11*	(1,617)	(5,051)	(1,133)	(1,956)
Profit and total comprehensive income for the year/period		8,649	24,231	5,363	9,443
Profit and total comprehensive income for the year/period attribute to:					
Owners of the Company		8,191	23,899	4,763	9,398
Non-controlling interests		458	332	600	45
		8,649	24,231	5,363	9,443

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 March 2025 HK$'000	2026 HK$'000	As at 30 June 2026 HK$'000
Non-current assets				
Property and equipment	*15*	1,690	3,550	3,917
Right-of-use assets	*16*	688	382	306
Deferred tax assets	*26*	50	184	185
		2,428	4,116	4,408
Current assets				
Trade receivables	*17*	8,393	6,119	1,409
Contract assets	*18*	22,280	23,233	21,868
Deposits, other receivables and prepayments	*19*	2,561	1,404	1,886
Amounts due from related companies	*29(b)*	897	7,130	4
Amounts due from shareholders	*29(b)*	27,636	28,734	16,375
Cash at banks	*20*	8,530	28,930	26,950
		70,297	95,550	68,492
Current liabilities				
Trade payables	*21*	11,621	4,197	2,744
Contract liabilities	*18*	172	6,317	865
Accruals and other payables	*22*	1,452	1,431	11,950
Lease liabilities	*23*	274	290	294
Bank borrowings	*24*	4,488	3,751	5,585
Income tax payables		4,403	9,153	10,492
		22,410	25,139	31,930
Net current assets		47,887	70,411	36,562
Total assets less current liabilities		50,315	74,527	40,970
Non-current liabilities				
Lease liabilities	*23*	399	82	—
Provision for long service payment	*25*	386	386	386
Deferred tax liabilities	*26*	—	298	380
		785	766	766
Net assets		49,530	73,761	40,204
Equity				
Share capital	*27*	19,400	19,400	19,400
Reserves	*28*	29,668	53,567	19,965
Equity attributable to owners of the Company		49,068	72,967	39,365
Non-controlling interests		462	794	839
Total equity		49,530	73,761	40,204

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company			Non-controlling interests	Total equity
	Share capital	Retained profits	Total		
	HK$'000 *(note 27)*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2024	3,400	21,477	24,877	—	24,877
Profit and total comprehensive income for the year	—	8,191	8,191	458	8,649
Incorporation of a non-wholly owned subsidiary	—	—	—	4	4
Issuance of shares upon allotment	16,000	—	16,000	—	16,000
At 31 March 2025 and 1 April 2025	19,400	29,668	49,068	462	49,530
Profit and total comprehensive income for the year	—	23,899	23,899	332	24,231
At 31 March 2026 and 1 April 2026	19,400	53,567	72,967	794	73,761
Profit and total comprehensive income for the period	—	9,398	9,398	45	9,443
Interim dividends *(note 13)*	—	(43,000)	(43,000)	—	(43,000)
At 30 June 2026	19,400	19,965	39,365	839	40,204
At 1 April 2025	19,400	29,668	49,068	462	49,530
Profit and total comprehensive income for the period (Unaudited)	—	4,763	4,763	600	5,363
At 30 June 2025 (Unaudited)	19,400	34,431	53,831	1,062	54,893

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 March		Three months ended 30 June	
		2025	2026	2025	2026
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Cash flows from operating activities					
Profit before income tax		10,266	29,282	6,496	11,399
Adjustments for:					
Bank interest income	*8*	(4)	(1)	(1)	—
Depreciation on property and equipment	*10*	2,260	2,099	368	569
Depreciation on right-of-use assets	*10*	319	306	76	76
Finance costs	*9*	198	149	42	39
Gain on disposal of property and equipment	*8*	(99)	—	—	—
Remeasurement of provision for long service payment	*10*	61	—	—	—
Written-off of property and equipment	*10*	6	—	—	—
Operating cash flows before working capital changes		13,007	31,835	6,981	12,083
(Increase)/decrease in trade receivables		(4,434)	2,274	2,575	4,710
(Increase)/decrease in contract assets		(10,145)	(953)	(249)	351
Decrease/(increase) in deposits, other receivables and prepayments		181	1,157	(418)	(482)
Decrease/(increase) in amounts due from related companies		4,335	(3,094)	(4,200)	—
Increase/(decrease) in trade payables		6,185	(7,424)	(3,321)	(1,453)
(Decrease)/increase in contract liabilities		(2,799)	6,145	2,347	(4,438)
Increase/(decrease) in accruals and other payables		695	(21)	253	1,519
Cash generated from operations		7,025	29,919	3,968	12,290
Income tax paid		(68)	(137)	(23)	(536)
Net cash generated from operating activities		6,957	29,782	3,945	11,754

		Year ended 31 March		Three months ended 30 June	
		2025	2026	2025	2026
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Cash flows from investing activities					
Bank interest income		4	1	1	—
Proceeds from disposal of property and equipment		3,000	—	—	—
Purchase of property and equipment	*15*	(349)	(3,959)	(1,473)	(936)
(Advances to)/repayment from shareholders		(2,606)	(1,098)	9,830	1,589
Advances to related companies		(1,288)	(3,139)	(234)	(4,104)
Net cash (used in)/generated from investing activities		(1,239)	(8,195)	8,124	(3,451)
Cash flows from financing activities					
Repayment to shareholders		(61)	—	—	—
Repayment of bank borrowings		(703)	(737)	(182)	(189)
Interest paid on bank borrowings		(167)	(121)	(34)	(34)
Dividend paid		—	—	—	(12,000)
Repayment of lease liabilities — principal		(340)	(301)	(74)	(78)
Repayment of lease liabilities — interests		(31)	(28)	(8)	(5)
Net cash used in financing activities		(1,302)	(1,187)	(298)	(12,306)
Net increase/(decrease) in cash and cash equivalents		4,416	20,400	11,771	(4,003)
Cash and cash equivalents at beginning of year/ period		4,114	8,530	8,530	28,930
Cash and cash equivalents at end of year/period		8,530	28,930	20,301	24,927
Analysis of cash and cash equivalents					
Cash at banks	*20*	8,530	28,930	20,301	26,950
Bank overdraft	*24*	—	—	—	(2,023)
		8,530	28,930	20,301	24,927

NOTES TO HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Cheuk Power International Holding Limited (the "**Company**") is a limited company incorporated in the Cayman Islands on 19 August 2026. The registered office and the principal place of business of the Company is located at 4th Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman, KY1-1002, Cayman Islands and Unit 1, 19/F, Marina House, No. 68 Hing Man Street, Shau Kei Wan, Hong Kong, respectively.

The Company is an investment holding company and has not carried on any business since the date of its incorporation save for the group reorganisation (the "**Reorganisation**") as detail below. The principal activities of the operating companies becoming the Company's subsidiaries now comprising the Group (collectively referred to as the "**Group**") and are principally engaged in the provision of demolition services in Hong Kong.

Pursuant to the Reorganisation, which was completed on 19 August 2026, as detailed in note 2.1, the Company became the holding company of the entities now comprising the Group.

During the years ended 31 March 2025 and 2026 and the three months ended 30 June 2026 (the "**Track Record Period**") and as at the date of this report, the particulars of the Company's subsidiaries, which are private limited liability companies, of which the Company has direct or indirect interests, are as follows:

Name of the subsidiary	Place and date of incorporation/ establishment	Particulars of issued and fully paid-up share capital/ registered capital	Attributable equity interest		Principal activities/ place of operation
			Direct	Indirect	
Cheuk Power Holding Limited *(note (a))*	The British Virgin Islands (the "**BVI**") 9 July 2026	nil	100%	—	Investment holding/ Hong Kong
Riseship Construction Company Limited ("**Riseship Construction**") *(note (b))*	Hong Kong 4 May 1993	Hong Kong dollar ("**HK$**") 19,400,000	—	100%	Demolition service projects/Hong Kong
Power Construction Company Limited ("**Power Construction**") *(note (c))*	Hong Kong 16 January 2025	HK$10,000	—	60%	Demolition service projects/Hong Kong

All subsidiaries now comprising the Group have adopted 31 March as their financial year end date.

Notes:

(a) No audited financial statements have been prepared for the period from the date of incorporation to the date of this report as there is no statutory audit requirement in the country of its incorporation.

(b) The statutory financial statements of Riseship Construction for the year ended 31 March 2025, which were prepared in accordance with HKFRS for Private Entities Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), were audited by Sidus CPA Limited, certified public accountants.

[The statutory financial statements of Riseship Construction for the year ended 31 March 2026 were audited by Ascenda Cachet CPA Limited, certified public accountants. These statutory financial statements were prepared in accordance with HKFRS Accounting Standards issued by the HKICPA.]

(c) [The statutory financial statements of Power Construction for the period from 16 January 2025 (date of incorporation) to 31 March 2026 were audited by Ascenda Cachet CPA Limited, certified public accountants. These statutory financial statements were prepared in accordance with HKFRS Accounting Standards issued by the HKICPA.]

2. GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION

2.1 Group reorganisation

The companies comprising the Group underwent the Reorganisation to rationalise the Group's structure in preparation for the **[REDACTED]** (the "**[REDACTED]**") of the shares of the Company on GEM of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Reorganisation involved the followings:

*Incorporation of HonTide Holding Limited ("**HonTide**") and Legacy Capital International Holdings Limited ("**Legacy Capital**")*

On 8 July 2026, HonTide was incorporated in the BVI. On the same date, 706,149, 59,868, 600,082 and 299,901 shares of HonTide were allocated, issued and credited as fully-paid, to Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong at par, respectively. After the allotment, Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong became the shareholders of HonTide.

On 8 July 2026, Legacy Capital was incorporated in the BVI. On the same date, one share of Legacy Capital was allocated and issued to Mr. Lo Cheuk Pui at par. After the subscription, Mr. Lo Cheuk Pui became the sole shareholder of Legacy Capital.

Incorporation of Cheuk Power Holding Limited

Cheuk Power Holding Limited was incorporated in the BVI on 9 July 2026 with limited liability. As at the date of incorporation, 1,666,000 and 1,734,000 ordinary shares of Cheuk Power Holding Limited were allotted, issued and credited as fully-paid to HonTide and Legacy Capital respectively. On 27 July 2026, Mr. Lo Cheuk Pui, Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai, Mr. Lo Siu Tong transferred 9,894,000, 4,029,200, 341,600, 3,424,000 and 1,711,200 shares, respectively, in Riseship Construction, representing 51%, 20.8%, 1.8%, 17.6%, and 8.8% respectively, of the entire share capital of Riseship Construction, to Cheuk Power Holding Limited.

***[REDACTED]** investors*

In May 2026, Riseship Construction entered into investment agreements with **[REDACTED]**, and **[REDACTED]**, a company controlled by **[REDACTED]** in relation to **[REDACTED]** investment, pursuant to which **[REDACTED]** and **[REDACTED]** subject to certain terms and conditions, agreed to subscribe for and Riseship Construction agreed to procure Cheuk Power Holding Limited to issue and allot to **[REDACTED]**, **[REDACTED]**, and **[REDACTED]**, or his nominee, **[REDACTED]** shares, **[REDACTED]** shares, **[REDACTED]** shares and **[REDACTED]** shares, respectively, in Cheuk Power Holding Limited at the consideration of investing HK$**[REDACTED]**, HK$**[REDACTED]**, HK$**[REDACTED]** and HK$**[REDACTED]** in Riseship Construction, respectively. The said investment amount was paid and settled by the **[REDACTED]** investors in full and received by Riseship Construction in July 2026.

On 11 August 2026, after receipt of payment of the relevant investment amount by each of the **[REDACTED]** investors as set out above, Cheuk Power Holding Limited allotted and issued **[REDACTED]** shares, **[REDACTED]** shares, **[REDACTED]** shares and **[REDACTED]** shares, to **[REDACTED]** and **[REDACTED]**, a company controlled by **[REDACTED]**, respectively. After the completion of the above allotment and issue of shares, Cheuk Power Holding Limited was owned by **[REDACTED]** and **[REDACTED]** as to **[REDACTED]**, respectively.

Capital Reduction of Riseship Construction Company Limited

As part of the Reorganisation, the share capital of Riseship Construction was reduced from HK$19,400,000 to HK$3,400,000 pursuant to the shareholders' written resolution on 2 July 2026. Riseship Construction completed the registration of the above changes with the Companies Registry of Hong Kong on 7 August 2026.

*Incorporation of the Company as a **[REDACTED]** vehicle*

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 19 August 2026 to act as the proposed **[REDACTED]** vehicle. As at the date of incorporation, the Company had an authorised share capital of HK$100,000,000 divided into 10,000,000,000 shares of HK$0.01 each, and one share was allotted and issued to HonTide credited as nil paid.

Transfer of Cheuk Power Holding Limited to the Company

On 19 August 2026, HonTide, Legacy Capital, **[REDACTED]** and **[REDACTED]** transferred their entire shares of Cheuk Power Holding Limited to the Company. In consideration of the transfer, the Company allotted and issued **[REDACTED]**, **[REDACTED]**, **[REDACTED]** and **[REDACTED]** shares in the Company to HonTide, Legacy Capital, **[REDACTED]**, **[REDACTED]** and **[REDACTED]**, respectively. All the shares in issue (including the first subscriber share held by HonTide) were credited as fully paid at par.

Following the above steps, the Company owned as to approximately **[REDACTED]**, **[REDACTED]** and **[REDACTED]** by HonTide, Legacy Capital, **[REDACTED]**, and **[REDACTED]**, respectively, Riseship Construction became the Company's indirect wholly-owned subsidiary and Power Construction, a subsidiary of Riseship Construction, became the Company's indirect non-wholly-owned subsidiary.

Mr. Lo Cheuk Pui, Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai, Mr. Lo Siu Tong (collectively, the "**Controlling Shareholders**") entered into the acting in concert confirmation to acknowledge, agree and confirm, among other things, that they were and had been parties acting in concert in respect of each of the members of the Group since the date on which they became the registered owners and/or beneficial owners of the shares of each of the members of the Group. As such, immediate before and after the Reorganisation, in the opinion of the directors of the Company, the Controlling Shareholders are the ultimate controlling parties of the Company and the Group.

2.2 Basis of preparation and presentation

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards, which collective term includes all individual Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the HKICPA. The Historical Financial Information also complies with the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

Pursuant to the Reorganisation described above, the Company has become the holding company of the above-mentioned companies now comprising the Group on 19 August 2026.

As the Reorganisation involved inserting newly formed entities as the new holding companies of Riseship Construction and has not resulted in any change of economic substance, the Historical Financial Information has been prepared and presented as a continuation of the financial statements of Riseship Construction with the assets and liabilities recognised and measured at their historical carrying amounts prior to the Reorganisation. The consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for the Track Record Period have been prepared as if the current group structure had been in existence throughout the Track Record Period, or since the respective dates of incorporation/establishment of the relevant companies now comprising the Group where this is a shorter period. The consolidated statements of financial position of the Group as at 31 March 2025 and 2026 and 30 June 2026 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure were in existence at those dates. Intra-group balances, transactions and unrealised gains/losses on intra-group transactions are eliminated in full in preparing the Historical Financial Information.

No statutory financial statements of the Company have been prepared since the date of its incorporation as it is incorporated in the jurisdiction where there are no statutory audit requirements.

The Historical Financial Information has been prepared under the historical cost convention. The Historical Financial Information is presented in HK$, which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

The HKICPA has issued a number of new and amendments to HKFRS Accounting Standards which were relevant to the Group and became effective during the Track Record Period. In preparing the Historical Financial Information, the Group has applied all these new and amendments to HKFRS Accounting Standards which are effective for the Group's accounting period on or before 1 April 2026, consistently throughout the Track Record Period.

At the date of this report, the HKICPA has issued the following new and amendments to HKFRS Accounting Standards that are not yet effective. The Group has not early adopted these standards and amendments.

		Effective for annual periods beginning on or after
HKFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new and amendments to HKFRS Accounting Standards, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors of the Company, the amendments to HKFRS Accounting Standards are not expected to have a significant impact on the Group's financial performance and position, except HKFRS 18 as follows:

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 consolidated statements of profit or loss and other comprehensive income; provide disclosures on management-defined performance measures in the notes to the Historical Financial Information and improve aggregation and disaggregation of information to be disclosed in the Historical Financial Information. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statements of profit or loss and other comprehensive income and disclosures in the future financial statements. The Group is still in the process of assessing the detailed impact of HKFRS 18 on the Group's Historical Financial Information.

It should be noted that accounting estimates and assumptions have been used in the preparation of the Historical Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are set out in note 5 "Significant accounting judgements and estimates".

4. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation and subsidiaries

As disclosed in notes 2.1 and 2.2, the Historical Financial Information incorporates the financial statements of the Company and its subsidiaries comprising the Group for the Track Record Period.

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee; exposure, or rights, to variable returns from the investee; and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

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 Track Record Period are included in the consolidated statements 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 item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of 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.

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

Property and equipment

Property and equipment are stated at cost, less provisions for depreciation and impairment losses, if any.

The cost of an item of property and equipment comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. When an item of property and equipment is sold, its cost and accumulated depreciation are removed from the Historical Financial Information and any gain or loss resulting from the disposal, being the difference between the net disposal proceeds and the carrying amount of the asset, is included in the consolidated statements of profit or loss and other comprehensive income.

Depreciation is provided on the straight-line method, based on the estimated economic useful life of the individual assets, as follows:

Owned property	25 years
Leasehold improvements	5 years
Furniture and equipment	5 years
Motor vehicles	3 years
Site equipment	3 to 10 years

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

Financial assets

Financial assets are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid 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, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(a) Classification and subsequent measurement

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.

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. 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.

(b) Impairment on financial assets

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

ECLs are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables and contract assets with similar credit risk characteristics and is adjusted for forward-looking estimates. At each reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on deposits and other receivables and cash at banks are measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECLs.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date — the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

Financial liabilities

Initial recognition, measurement and presentation

All financial liabilities are recognised initially at fair value and, net of directly attributable transaction costs.

The Group's financial liabilities are classified as financial liabilities at amortised cost, include trade and other payables, accruals, lease liabilities and bank borrowings.

Subsequent measurement

After initial recognition, interest-bearing bank borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the consolidated statements of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statements of profit or loss and other comprehensive income.

Leases

The Group as lessee

Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments, where applicable:

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

(ii) variable lease payment that are based on an index or a rate;

(iii) amounts expected to be payable by the lessee under residual value guarantees;

(iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and

(v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at costs comprising the following, where applicable:

(i) the amount of the initial measurement of lease liability;

(ii) any lease payments made at or before the commencement date less any lease incentives received;

(iii) any initial direct costs; and

(iv) reinstatement cost

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term.

Provisions

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

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

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

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

Revenue recognition

Demolition services

The Group provides demolition services to customers who are project owners. Demolition services include (a) demolition; and (b) site clearance of salvage materials resulting from demolition.

Revenue is recognised over time as the project owners simultaneously receives and consumes the benefits provided by the Group as the demolition services are performed. Progress towards completion of the demolition services is measured using the input method, based on costs incurred to date relative to the estimated total costs for each service.

Transaction price of a demolition services project includes net fixed amount received or receivable directly from the project owners and variable considerations with proceeds from disposal of salvage materials removed from the demolition sites to third party salvage materials buyers. Variable revenue from proceeds from disposal of salvage materials are revised if market price of salvage materials change. Any resulting increases or decreases in estimated revenues are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management. Accumulated experience and recent market prices are used to estimate the variable consideration to the extent that it is highly probable that a significant reversal will not occur, using the expected value method, to be included in the transaction price.

Certain contracts require the Group to arrange surety bonds to guarantee contractual performance and payment obligations to customers. Collateral deposits placed with certain surety companies for arranging surety bonds that included in deposits, other receivables and prepayment.

If the value of the services rendered by the Group exceed the net payments billed, a contract asset is recognised. If the payments exceed the value of the services rendered, a contract liability is recognised.

Trade receivables are recognised for amounts billed to project owners for services and salvage materials buyers for salvage materials. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Other construction works

Other construction works included repair works, rectification works, improvement works and site upkeeping works. Revenue is recognised over time as the Group's performance creates or enhances an asset that the project owners control as the asset is created or enhanced. Progress towards completion of the other construction works is measured using the input method, based on costs incurred to date relative to the estimated total costs for each service. Transaction price of other construction works project includes net fixed amount received or receivable directly from the project owners.

Other employee benefits

Defined contribution plan

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statements of profit or loss and other comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

Employee leave entitlement

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

Employee long service payment

For long service payment ("**LSP**") obligation, the Group accounts for the employer Mandatory Provident Fund ("**MPF**") contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

The provision for long service payment is provided based on the employees' basic salaries and their respective length of service in accordance with the applicable rules and regulations in their respective countries of employment.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and have a short maturity of generally within three months when acquired. Bank overdrafts repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalent for the purpose of the consolidated statements of cash flows.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the consolidated statements of profit or loss and other comprehensive income in the period in which they become receivable. Such grants are presented under other income and other gains.

Income tax

Income tax represents the sum of current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated, without discounting, at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimation of transaction prices for demolition service projects

The Group's management estimates the transaction price of each demolition service project based on the management budgets prepared for the demolition service revenue. Transaction price included variable considerations with expected proceeds from disposal of salvage and other materials removed from the demolition sites to third party salvage materials buyers. Accumulated experience and recent market prices are used to estimate the variable consideration. Management conducts periodic review on the management budgets by reviewing the actual amounts earned. Items that are subjected to significant variances that will impact the estimated transaction price of the projects include the changes in estimations of actual salvage materials available for sale and actual price of salvage materials upon sale.

(b) Measure of progress of demolition service projects

The Group measures its progress and recognises its revenue according to the proportion of actual cost of work performed to date as compared to total budgeted costs of demolition. Due to the nature of the activity undertaken in these projects, the date at which the project activity is entered into and the date when the activity is completed may fall into different accounting periods.

Budgeted costs which mainly comprise labour costs, sub-contracting charges and consumables are estimated by management. Management conducts periodic review on the management budgets by reviewing the actual amounts incurred. Items that are subjected to significant variances that will impact the budgeted costs, and hence the measurement of progress.

(c) Provision for income taxes

The Group is subject to income taxes in jurisdictions in which the Group operates. Significant judgement is required in determining the tax liabilities to be recognised. There are many transactions and calculations for which the ultimate tax determination is uncertain.

The Group recognises provisions for tax based on estimates of the taxes that are likely to become due. The Group believes that its provision for tax is adequate for the years based on its assessment of many factors including advices from tax expert, past experience and interpretations of tax law. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the periods in which such determination is made.

6. SEGMENT INFORMATION

The chief operating decision makers ("**CODM**") have been identified as the executive directors of the Company who reviews the Group's internal reporting in order to assess performance and allocate resources.

The CODM assesses the performance based on a measure of profit for the year and considers all businesses to be included in a single operating segment.

The Group is principally engaged in the provision of demolition services in Hong Kong. Information reported to CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

No geographical segment information is presented as the Group's revenue are all derived from Hong Kong based on the location of services delivered and all the Group's non-current assets are located in Hong Kong.

Information about major customers

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

	Year ended 31 March		Three months ended 30 June	
	2025	**2026**	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Projects A and B	20,167	122,453	26,194	34,600
Project C	12,351	N/A*	N/A*	N/A*
Projects G, Q and R	10,648	N/A*	N/A*	5,823
Projects D and S	9,703	N/A*	N/A*	N/A*

* Revenue from these customers contributed less than 10% of the total revenue of the Group during the respective reporting period.

7. REVENUE

An analysis of revenue is as follows:

	Year ended 31 March		Three months ended 30 June	
	2025	**2026**	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Revenue from contracts with customers recognised over time:				
Provision of demolition services	72,003	128,027	28,960	37,254
Other construction works	5,277	8,773	1,010	5,936
	77,280	136,800	29,970	43,190

Remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at 31 March 2025 and 2026 and 30 June 2026:

	As at 31 March		As at 30 June
	2025	**2026**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Within one year	105,046	61,423	35,073
Over one year	32,452	—	—
	137,498	61,423	35,073

8. OTHER INCOME AND OTHER GAINS

	Year ended 31 March		Three months ended 30 June	
	2025	2026	2025	2026
	HK$'000	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Other income				
Bank interest income	4	1	1	—
Government grant *(note)*	—	437	—	—
Sundry income	388	338	138	30
	392	776	139	30
Other gains				
Gain on disposal of property and equipment	99	—	—	—
	491	776	139	30

Note: The Group received unconditional subsidies from the Hong Kong government authority during the year ended 31 March 2026 for encouraging the Group to adopt innovative construction methods and new technologies in the construction industry and for providing on-the-job training for youth graduates. There were no unfulfilled conditions and other contingencies attaching to government grants that had been recognised.

9. FINANCE COSTS

	Year ended 31 March		Three months ended 30 June	
	2025	2026	2025	2026
	HK$'000	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Interest on bank borrowings	167	121	34	34
Interest on lease liabilities	31	28	8	5
	198	149	42	39

10. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	Year ended 31 March		Three months ended 30 June	
	2025	**2026**	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Employee benefit expenses (including directors' emoluments *(note 12)*) *(note (i))*				
— Salaries, wages, allowances and benefits in kind	8,525	26,982	6,426	7,229
— Discretionary bonuses	800	626	—	—
— Contributions to defined contribution scheme *(note (ii))*	226	701	364	254
— Provision for long service payment	61	—	—	—
Total staff costs	9,612	28,309	6,790	7,483
Auditor's remuneration	270	220	—	—
Depreciation of property and equipment *(notes (iii) and 15)*	2,260	2,099	368	569
Depreciation of right-of-use assets *(note 16)*	319	306	76	76
Rental expenses for equipment *(note 16)*	2,163	6,403	1,015	1,761
Sub-contracting fees included in cost of services	38,808	39,061	9,643	11,369
Transportation cost for removing scrap materials	1,259	8,049	708	3,457
Written-off of property and equipment	6	—	—	—

Notes:

(i) During the years ended 31 March 2025 and 2026 and three months ended 30 June 2025 and 2026, employee benefit expenses (including directors' emoluments) of approximately HK$4,482,000, HK$21,186,000, HK$5,144,000 and HK$5,893,000 were included in cost of services and approximately HK$5,130,000, HK$7,123,000, HK$1,646,000 and HK$1,590,000 were included in administrative and other operating expenses, respectively.

(ii) As at 31 March 2025 and 2026 and 30 June 2026, the Group had no forfeited contributions available to reduce its contributions to the retirement benefit schemes in future years.

(iii) During the years ended 31 March 2025 and 2026 and three months ended 30 June 2025 and 2026, depreciation of property and equipment of approximately HK$2,063,000, HK$1,890,000, HK$313,000 and HK$536,000 were included in cost of services and approximately HK$197,000, HK$209,000, HK$55,000 and HK$33,000 were included in administrative and other operating expenses, respectively.

11. INCOME TAX EXPENSE

	Year ended 31 March		Three months ended 30 June	
	2025	2026	2025	2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Hong Kong Profits Tax				
— Charge for current year	2,024	4,887	985	1,875
Deferred tax				
— (Credited)/charge for current year *(note 26)*	(407)	164	148	81
	1,617	5,051	1,133	1,956

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax under these jurisdictions during the Track Record Period.

Under the two-tiered profits tax rates regime in Hong Kong Profits Tax, the first HK$2,000,000 of profits of the qualifying entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of entity 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 entity is calculated at 8.25% of the first HK$2,000,000 of the estimated assessable profits and at 16.5% on the estimated profits above HK$2,000,000, taking into account the tax concession granted by the Government of Hong Kong Special Administrative Region during the Track Record Period.

A reconciliation of the income tax expenses applicable to profit before income tax at the applicable tax rates to income tax expense at the effective tax rate is as follows:

	Year ended 31 March		Three months ended 30 June	
	2025	2026	2025	2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Profit before income tax	10,266	29,282	6,496	11,399
Tax at the applicable tax rate of 16.5%	1,694	4,832	1,072	1,881
Effect of two-tiered tax rate regime	(165)	(165)	(165)	(165)
Tax effect of non-taxable income	(1)	—	—	—
Tax effect of non-deductible expenses	92	275	229	190
Tax effect of tax losses not recognised	—	112	—	50
Tax concession	(3)	(3)	(3)	—
Income tax expense	1,617	5,051	1,133	1,956

12. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors

The emoluments paid or payable to the directors and chief executive of the Company (including emoluments for services as employees/directors of the entities comprising the Group prior to becoming the directors of the Company) during the Track Record Period are as follows:

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Contribution to defined contribution scheme	Total
	HK$'000	*HK$'000 (note (ii))*	*HK$'000 (note (ii))*	*HK$'000*	*HK$'000*
Year ended 31 March 2025					
Executive directors					
Mr. Lo Cheuk Pui *(note (i))*	—	447	57	20	524
Mr. Lo Siu Kai	—	646	90	21	757
	—	1,093	147	41	1,281
Year ended 31 March 2026					
Executive directors					
Mr. Lo Cheuk Pui *(note (i))*	—	960	60	36	1,056
Mr. Lo Siu Kai	—	1,164	94	36	1,294
	—	2,124	154	72	2,350
Three months ended 30 June 2025 (Unaudited)					
Executive directors					
Mr. Lo Cheuk Pui *(note (i))*	—	240	—	9	249
Mr. Lo Siu Kai	—	291	—	9	300
	—	531	—	18	549
Three months ended 30 June 2026					
Executive directors					
Mr. Lo Cheuk Pui *(note (i))*	—	240	—	9	249
Mr. Lo Siu Kai	—	291	—	9	300
	—	531	—	18	549

Notes:

(i) Mr. Lo Cheuk Pui has been appointed as director of Riseship Construction on 10 February 2026. He is also the Chairman and Chief Executive Officer of the Company.

(ii) The emoluments shown above represent emoluments received or receivable from the Group by these directors in their capacity as directors or management of the companies comprising the Group during the Track Record Period.

(iii) Mr. Lo Cheuk Pui and Mr. Lo Siu Kai were appointed as the executive directors of the Company on 19 August 2026.

(iv) Mr. Chan Ming Cheung Ivan, who was appointed as non-executive director of the Company on 19 August 2026, and Mr. Ng Kwok Sing, Ms. Wong Man Ming Melinda and Mr. Yue Ming Wai Bonaventure, who were appointed as independent non-executive directors of the Company on [●], did not receive any remuneration during the Track Record Period.

(b) Five highest paid individuals

The five individuals with the highest emoluments in the Group included 2, 2, 2 and 2 directors of the Company for the years ended 31 March 2025 and 2026 and the three months ended 30 June 2025 and 2026 respectively, whose emoluments is disclosed above. The emoluments of the 3, 3, 3 and 3 individuals, whose emoluments fell within the salary band of Nil to HK$1,000,000 for each of the years ended 31 March 2025 and 2026 and the three months ended 30 June 2025 and 2026 respectively, are analysed below:

	Year ended 31 March		Three months ended 30 June	
	2025	**2026**	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Salaries, allowances and other benefits	1,432	1,780	423	425
Retirement benefit scheme contributions	36	54	14	14
	1,468	1,834	437	439

(c) During the Track Record Period, no emoluments were paid by the Group to the directors of the Company or any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. No directors or any of the five highest paid individuals waived or agreed to waive any emoluments during the Track Record Period.

13. DIVIDEND

	Year ended 31 March		Three months ended 30 June	
	2025	**2026**	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Interim dividends	—	—	—	43,000

Other than the above interim dividends paid or declared by Riseship Construction, the subsidiary of the Company, no dividend was paid or declared by the Company since its incorporation.

During the three months ended 30 June 2026, interim dividends amounting to HK$43,000,000, representing dividends paid/payable by Riseship Construction, the subsidiary of the Company, to its Controlling Shareholders, were approved by the written resolutions of directors of Riseship Construction on 27 May 2026.

The rate of dividend and the number of shares ranking for dividend is not presented as such information is not meaningful having regard to the purpose of this Historical Financial Information.

14. EARNINGS PER SHARE

No earnings per share information is presented as its inclusion, for the purpose of the Historical Financial Information, is not considered meaningful with regard to the Reorganisation as set out in note 2.1.

15. PROPERTY AND EQUIPMENT

	Owned property	Leasehold improvements	Furniture and equipment	Motor vehicles	Site equipment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost						
At 1 April 2024	4,234	442	897	1,246	9,245	16,064
Additions	—	5	—	226	118	349
Disposals	(4,234)	—	—	—	—	(4,234)
Written-off	—	(368)	—	—	—	(368)
At 31 March 2025 and 1 April 2025	—	79	897	1,472	9,363	11,811
Additions	—	—	—	—	3,959	3,959
At 31 March 2026 and 1 April 2026	—	79	897	1,472	13,322	15,770
Additions	—	—	17	—	919	936
At 30 June 2026	—	79	914	1,472	14,241	16,706
Accumulated depreciation						
At 1 April 2024	1,333	390	620	1,246	5,967	9,556
Charge for the year	—	20	132	45	2,063	2,260
Disposals	(1,333)	—	—	—	—	(1,333)
Written-off	—	(362)	—	—	—	(362)
At 31 March 2025 and at 1 April 2025	—	48	752	1,291	8,030	10,121
Charge for the year	—	16	125	68	1,890	2,099
At 31 March 2026 and 1 April 2026	—	64	877	1,359	9,920	12,220
Charge for the period	—	5	11	17	536	569
At 30 June 2026	—	69	888	1,376	10,456	12,789
Net carrying amount						
At 31 March 2025	—	31	145	181	1,333	1,690
At 31 March 2026	—	15	20	113	3,402	3,550
At 30 June 2026	—	10	26	96	3,785	3,917

As at 1 April 2024, the owned property including its leasehold improvement with net carrying amount of approximately HK$2,901,000 in aggregate was pledged as collateral for the Group's bank borrowings (note 24). During the year ended 31 March 2025, the property was disposal of to a related company, controlled by Mr. Lo Cheuk Pui, with a consideration of HK$3,000,000, which the directors of the Company considered the transaction is in the normal course of its business and mutually agreed between both parties. Gain on disposal of property of approximately HK$99,000 was recognised in other income and other gains during the year ended 31 March 2025.

16. RIGHT-OF-USE ASSETS

	Leased office premises *HK$'000*
Cost	
At 1 April 2024	1,072
Additions	918
At 31 March 2025, 1 April 2025, 31 March 2026, 1 April 2026 and 30 June 2026	1,990
Accumulated depreciation	
At 1 April 2024	983
Charge for the year	319
At 31 March 2025 and 1 April 2025	1,302
Charge for the year	306
At 31 March 2026 and 1 April 2026	1,608
Charge for the period	76
At 30 June 2026	1,684
Net carrying amount	
At 31 March 2025	688
At 31 March 2026	382
At 30 June 2026	306

The Group leased various office premises for its operations. Lease contracts are entered into for fixed term of 3 years. Leased assets may not be used as security for borrowing purposes.

The Group rented various equipment from independent suppliers for its operations, which the suppliers have the substantive right to substitute the asset throughout the period of use. Therefore, these arrangements are not classified as a lease in accordance with HKFRS 16 and recognised as rental expenses over the leased terms.

The amounts recognised in consolidated profit or loss in relation to leases are as follows:

	Year ended 31 March		Three months ended 30 June	
	2025	**2026**	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Interest on lease liabilities	31	28	8	5
Depreciation on right-of-use assets	319	306	76	76
Total amounts recognised in consolidated profit or loss	350	334	84	81

Amount included in the consolidated statements of cash flows comprises the following:

	Year ended 31 March		Three months ended 30 June	
	2025	2026	2025	2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Within financing cash flows	371	329	82	83

17. TRADE RECEIVABLES

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Trade receivables	8,393	6,119	1,409

The Group normally grants credit period ranging from 0 to 30 days to its customers. The following is an aged analysis of trade receivables, presented based on the invoice date at the end of each reporting period:

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
1 to 30 days	4,863	3,670	1,409
31 to 90 days	3,071	2,449	—
91 to 180 days	459	—	—
	8,393	6,119	1,409

As at 1 April 2024, trade receivables from contracts with customers amounted to approximately HK$3,959,000.

Trade receivables represent receivables for demolition services that are billed to the customers. The Group will assess the credit quality of each potential customer and define rating and credit limit for each customer. In addition, the Group will review the repayment history of receivables by each customer with reference to the payment terms stated in contracts to determine the recoverability of trade receivables.

The Group does not hold any collateral over these balances.

The debtors are primarily reputable project owners and salvage material buyers and with long history of business relationship. Management considers the credit risk is not high. The Group maintains frequent communications with the counterparties. Management has closely monitored the credit qualities and the collectability of these receivables and consider that the expected credit risks of them are minimal in view of the history of cooperation with them, taking into account the current and forward-looking information. The details of impairment assessment on trade receivables are set out in note 31(b).

18. CONTRACT ASSETS AND CONTRACT LIABILITIES

The Group has recognised the following revenue-related contract assets and liabilities:

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Unbilled work in progress	18,525	19,752	18,387
Retention receivables	3,755	3,481	3,481
Contract assets	22,280	23,233	21,868
Contract liabilities	(172)	(6,317)	(865)

As at 1 April 2024, unbilled work in progress, retention receivables and contract liabilities from contracts with customers amounted to approximately HK$9,970,000, HK$2,165,000 and HK$2,971,000 respectively.

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contracts of the Group can be billed to the customers once the work completed by the Group is certified by qualified independent parties every one to two months. This arrangement prevents the build-up of significant contract assets. The contract assets are transferred to receivables when the rights become unconditional and the Group has billed to the customers. The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognised based on the progress of the provision of related services. The ageing of the unbilled work in progress, based on the date of recognising revenue, are as follows:

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
1 to 30 days	16,374	11,762	4,816
31 to 90 days	1,347	6,317	10,741
91 to 180 days	804	1,584	2,830
181 to 365 days	—	89	—
	18,525	19,752	18,387

The movement of the unbilled work in progress are as follows:

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
At the beginning of the year/period	9,970	18,525	19,752
Certified and billed work in progress	(51,652)	(114,207)	(40,284)
Uncertified services provided during the year/period	60,207	115,434	38,919
At the end of the year/period	18,525	19,752	18,387

The contract assets also includes retention receivables which payment are withheld by customers for retention purposes, and the amount retained is withheld on each payment up to a maximum amount calculated as a prescribed percentage at 10% of the contract sum, and subject to a limit as prescribed in the contract. The retention receivables should be released to the Group generally ranging from 6 months to 12 months after the completion of the projects pursuant to the provisions of the relevant contracts, or an earlier day as agreed by the customers. The ageing of the retention receivables, based on the date of certification, are as follows:

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
1 to 30 days	3,755	2,758	2,758
31 to 90 days	—	530	—
91 to 180 days	—	193	530
181 to 365 days	—	—	193
	3,755	3,481	3,481

The movement of retention receivables are as follows:

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
At the beginning of the year/period	2,165	3,755	3,481
Retention withheld by customers during the year/period	2,134	1,896	—
Settlement of retention received from customers	(544)	(2,170)	—
At the end of the year/period	3,755	3,481	3,481

The details of impairment assessment on contract assets are set out in note 31(b).

The following table shows how much of the revenue recognised during each reporting period relates to carried-forward contract liabilities:

	Year ended 31 March		Three months ended 30 June	
	2025	2026	2025	2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Decrease in contract liabilities as a result of recognising revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	2,971	172	172	—

19. DEPOSITS, OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Deposits for surety bonds *(note)*	1,397	669	669
Other receivables	639	339	339
Prepayments	6	19	18
Prepaid **[REDACTED]**	—	—	480
Rental and utility deposits	299	202	224
Deposits	220	175	156
	2,561	1,404	1,886

Note:

Deposits for surety bonds represent collateral deposits placed with certain surety companies. The Group has entered into certain surety bonds with surety companies in the ordinary course of demolition projects to guarantee contractual performance to customers.

20. CASH AT BANKS

The carrying amounts of cash at banks are denominated in the following currencies:

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
HK$	8,530	28,887	26,907
RMB	—	43	43
	8,530	28,930	26,950

The interest rate for cash at banks is ranging from 0.00% to 0.01% per annum as at 31 March 2025 and 2026 and 30 June 2026.

21. TRADE PAYABLES

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Trade payables	11,621	4,197	2,744

The credit period on trade payables is ranging from 0 to 90 days. The ageing analysis of the trade payables based on invoice date is as follows:

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
1 to 30 days	9,245	2,879	887
31 to 90 days	260	57	165
91 to 180 days	52	23	455
181 to 365 days	1,014	593	—
Over 1 year	1,050	645	1,237
	11,621	4,197	2,744

22. ACCRUALS AND OTHER PAYABLES

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Payroll payables	131	221	272
Professional service fees payable	949	1,060	1,078
Dividend payable	—	—	9,000
Accrued **[REDACTED]**	—	—	**[REDACTED]**
Others	372	150	150
	1,452	1,431	11,950

23. LEASE LIABILITIES

The carrying amounts of the Group's lease liabilities are as follows:

	Present value of minimum lease payment as at 31 March 2025	Minimum lease payment as at 31 March 2025	Present value of minimum lease payment as at 31 March 2026	Minimum lease payment as at 31 March 2026	Present value of minimum lease payment as at 30 June 2026	Minimum lease payment as at 30 June 2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Leases liabilities payable:						
Within 1 year	274	302	290	302	294	302
After 1 year but within 2 years	317	330	82	83	—	—
After 2 years but within 5 years	82	83	—	—	—	—
	673	715	372	385	294	302
Less: Total future interest expenses		(42)		(13)		(8)
Present value of lease liabilities		673		372		294
Analysed into:						
Current portion		274		290		294
Non-current portion		399		82		—
		673		372		294
Analysed by:						
Leasehold office premises		673		372		294

The incremental borrowing rate applied to the lease liabilities is 4.97 % per annum.

24. BANK BORROWINGS

The analysis of the carrying amounts of bank borrowings is as follows:

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Secured term loans from bank contain a repayment on demand clause (shown under current liabilities)	4,488	3,751	3,562
Secured bank overdraft repayment on demand clause	—	—	2,023
	4,488	3,751	5,585

Term loans repayable on demand are carried at amortised cost and denominated in HK$ as at the end of each reporting date, which bear variable interests at the bank's best lending rate minus 2.25% per annum. Bank overdraft bears variable interests at higher of HIBOR plus a premium at 1.5% per annum or prime rate of the bank minus 0.375%. As at 31 March 2025 and 2026 and 30 June 2026, the effective interest rates of these borrowings are at 2.76%, 2.53% and ranging from 2.80% to 4.88% per annum, respectively.

At 31 March 2025 and 2026 and 30 June 2026, the bank borrowings were (i) secured by certain properties owned by a related company, of which Mr. Lo Kam Kenny, Mr. Lo Cheuk Pui and Mr. Lo Siu Kai are the directors and beneficiary owners of the related company; (ii) guaranteed by the Controlling Shareholders; and/or (iii) HKMC Insurance Limited.

At 31 March 2025 and 2026 and 30 June 2026, bank borrowings due for repayment, based on the scheduled repayment terms set out in the borrowing agreements and without taking into account the effect of any repayment on demand clause are as follows:

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Bank borrowings repayable within one year	737	761	2,789
Bank borrowings due for repayment after one year			
After 1 year but within 2 years	761	782	788
After 2 years but within 5 years	2,134	1,712	1,604
After 5 years	856	496	404
	3,751	2,990	2,796
	4,488	3,751	5,585

25. RETIREMENT BENEFITS PLANS

Under the Mandatory Provident Fund Schemes Ordinance regulated by the Mandatory Provident Fund Schemes Authority in Hong Kong, the Group participates in a MPF Scheme operated by an approved trustee in Hong Kong and makes contributions for its eligible employees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income. The cap of monthly relevant income is HK$30,000 during the Track Record Period. Contributions to the scheme vest immediately. The aggregate amounts of employer's contribution made by the Group during the Track Record Period were disclosed in note 10.

Hong Kong employees that have been employed continuously for at least five years are entitled to LSP in accordance with the Hong Kong Employment Ordinance under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 65 or above, or the employment contract is of fixed term and expires without renewal. The amount of LSP payable is determined with reference to the employee's final salary (capped at HK$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme, with an overall cap of HK$390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligation. As at 31 March 2025 and 2026 and 30 June 2026, the provision for long service payment were amounted to approximately HK$386,000, HK$386,000 and HK$386,000 respectively in the consolidated statements of financial position of the Group. In the opinion of the directors of the Company, there is no significant actuarial assumption for determination of the LSP obligation.

26. DEFERRED TAX TAXATION

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the Track Record Period:

	Differences between depreciation allowances and the related depreciation	**Right-of-use assets**	**Lease liabilities**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2024	(359)	(14)	16	(357)
Credited/(charged) to profit or loss *(note 11)*	411	(99)	95	407
At 31 March 2025 and 1 April 2025	52	(113)	111	50
(Charged)/credited to profit or loss *(note 11)*	(164)	50	(50)	(164)
At 31 March 2026 and 1 April 2026	(112)	(63)	61	(114)
(Charged)/credited to profit or loss *(note 11)*	(82)	13	(12)	(81)
At 30 June 2026	(194)	(50)	49	(195)

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

	As at 31 March		**As at 30 June**
	2025	**2026**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Deferred tax assets	50	184	185
Deferred tax liabilities	—	(298)	(380)
	50	(114)	(195)

As at 31 March 2025 and 2026 and 30 June 2026, the Group had unused tax losses of approximately nil, HK$681,000 and HK$984,000 available to offset against future profits sourced in Hong Kong. Such unused tax losses are subject to the approval of the Hong Kong Inland Revenue Department and may be carried forward indefinitely. No deferred tax asset has been recognised due to unpredictability of future profit streams.

27. SHARE CAPITAL

For the purpose of preparing this Historical Financial Information, share capital represented the issued share capital of Riseship Construction, with issued 19,400,000 shares at total HK$19,400,000 fully paid as at 31 March 2025 and 2026 and 30 June 2026.

	Number of shares	Share capital *HK$'000*
Issued:		
At 1 April 2024	3,400,000	3,400
Issuance of shares upon allotment *(note)*	16,000,000	16,000
At 31 March 2025, 1 April 2025, 31 March 2026, 1 April 2026 and 30 June 2026	19,400,000	19,400

Note: On 8 May 2024 and 24 May 2024, Riseship allotted 10,000,000 ordinary shares and 6,000,000 ordinary shares to the Controlling Shareholders, respectively, with a consideration of HK$16,000,000 in aggregate *(note 33(a))*.

On 2 July 2026, pursuant to the shareholders' special resolution of Riseship Construction on 2 July 2026, the share capital of Riseship Construction was reduced from HK$19,400,000 to HK$3,400,000. The capital reduction of HK$16,000,000 was included in amounts due from shareholders.

28. RESERVES

Details of the movements on the Group's reserves are as set out in the consolidated statements of changes in equity.

29. RELATED PARTY TRANSACTIONS

Other than disclosed in notes 12, 15 and 24, the Group has the following material related party transactions in the normal course of its business:

(a) Compensation of key management personnel

Remuneration for key management personnel of the Group, including amounts paid to the directors of the Company disclosed in note 12, is as follows:

	Year ended 31 March		Three months ended 30 June	
	2025	2026	2025	2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Salaries, wages, allowances and benefits in kind	1,474	2,788	711	715
Discretionary bonuses	207	256	—	—
Contributions to defined contribution scheme	59	90	23	23
	1,740	3,134	734	738

(b) Balances with related parties

The balance with related parties are non-trade, unsecured, interest-free and repayable on demand. Details of the amounts due from/to directors and related parties are disclosed as follows:

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Amounts due from shareholders:			
Amount due from Mr. Lo Kam Kenny *(note (ii))*	19,291	20,167	16,375
Amount due from Mr. Lo Cheuk Pui *(note (i))*	3,526	3,568	—
Amount due from Ms. Mak Wai Chun *(note (ii))*	420	437	—
Amount due from Mr. Lo Siu Kai *(note (i))*	2,928	3,091	—
Amount due from Mr. Lo Siu Tong *(note (ii))*	1,471	1,471	—
	27,636	28,734	16,375
Amounts due from related companies:			
Amount due from UNI Real Estate Company Limited (formerly known as Uni Construction Company Limited) ("**Uni Real Estate**") *(note (iii))*	893	7,126	—
Amount due from Lek Hin Demolition Company Limited *(note (iv))*	4	4	4
	897	7,130	4

Notes:

(i) Mr. Lo Cheuk Pui and Mr. Lo Siu Kai are the executive directors and the Controlling Shareholders of the Company.

(ii) Ms. Mak Wai Chun, Mr. Lo Kam Kenny and Mr. Lo Siu Tong are the Controlling Shareholders of the Company.

(iii) Mr. Lo Kam Kenny, Mr. Lo Cheuk Pui and Mr. Lo Siu Kai are the directors and beneficiary owners of Uni Real Estate.

(iv) Lek Hin Demolition Company Limited is a non-controlling interest of Power Construction.

(c) Transactions with related parties

The Group had the following material transactions with a related company during the Track Record Period:

	Year ended 31 March		Three months ended 30 June	
	2025	2026	2025	2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Employee benefit expenses paid to the Controlling Shareholders (including the directors' emoluments paid to Mr. Lo Cheuk Pui and Mr. Lo Siu Kai *(note 12)*)	2,318	3,740	866	867
Subcontracting services provided by Uni Real Estate	17,400	18,182	2,550	—
Disposal of property to Uni Real Estate	3,000	—	—	—

(d) Guarantees provided by the Controlling Shareholders

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Guarantees of bank borrowings provided by Mr. Lo Kam Kenny	4,488	3,751	5,585
Guarantees of bank borrowings provided by Mr. Lo Cheuk Pui	4,488	3,751	5,585
Guarantees of bank borrowings provided by Ms. Mak Wai Chun	—	—	2,023
Guarantees of bank borrowings provided by Mr. Lo Siu Kai	—	—	2,023
Guarantees of bank borrowings provided by Mr. Lo Siu Tong	—	—	2,023

[Guarantees of bank borrowings provided by the Controlling Shareholders *(note 24)* shall be released prior to the **[REDACTED]**.]

30. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Financial assets			
At amortised cost:			
Trade receivables	8,393	6,119	1,409
Contract assets	22,280	23,233	21,868
Deposits and other receivables	2,555	1,385	1,388
Amounts due from related companies	897	7,130	4
Amounts due from shareholders	27,636	28,734	16,375
Cash at banks	8,530	28,930	26,950
	70,291	95,531	67,994
Financial liabilities			
At amortised cost:			
Trade payables	11,621	4,197	2,744
Accruals and other payables	1,452	1,431	11,950
Lease liabilities	673	372	294
Bank borrowings	4,488	3,751	5,585
	18,234	9,751	20,573

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise trade and other receivables, deposits, amounts due from related companies and shareholders, cash at banks, trade and other payables and accruals, lease liabilities and bank borrowings. Details of the financial instruments are disclosed in respective notes. The main risk arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Group does not have any written risk management policies and guidelines. The directors of the Company monitor the financial risk management of the Group and take such measures as considered necessary from time to time to minimise such financial risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with floating interest rates. The management will continue to monitor the interest rate exposure.

In the opinion of the management of the Group, given the insignificant scale of borrowings of the Group, fluctuations in market interest rates would not generate material adverse impact on the Group's profit or loss, other comprehensive income and cash flows. Therefore, the Group's exposure to interest rate risk is considered to be immaterial.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables and contract assets and amounts due from related companies and shareholders). The Group performs ongoing credit evaluation of the debtors' financial condition and maintains an account for allowance for ECL of trade receivable and contract assets based upon the expected collectability of all trade receivables and contract assets.

At 31 March 2025 and 2026 and 30 June 2026, the Group has a significant concentration of credit risk as 38%, 23% and 81% of the gross trade receivables was due from the Group's largest trade debtor and 87%, 56% and 100% of the gross trade receivables was due from the Group's three largest trade debtors, respectively.

The bank balances were deposited with creditworthy banks. Bank balances of the Group are with counter parties with sound credit ratings to minimise credit exposures.

Impairment of financial assets

The following types of financial assets are subject to the ECL model:

— trade receivables and contract assets;

— refundable deposits and other receivables; and

— amounts due from related companies and shareholders

While bank balances are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial because the counterparties are financial institutions with good reputation and high credit ratings assigned by international credit-rating agencies.

Trade receivables and contract assets

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

The Group applies the simplified approach to provide for ECLs prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables and contract assets, unless there is significant increase in credit risk since initial recognition.

The Group measures ECLs, for trade receivables and contract assets at an amount equal to lifetime ECL, which is calculated using a provision matrix. In measuring the ECLs, the trade receivables and contract assets have been assessed on a collective basis and debtors ageing is applied to assess ECLs because these customers share common risk characteristics that are representative of the customers' ability to pay all amounts due in accordance with the contractual terms. They have been grouped based on the days past due. The estimated ECL loss rates are estimated based on the Group's historical settlement pattern and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The Group considers a financial asset in default when contractual payments are 180 days past due. The Group rebutted the 90 days past due presumption of default based on reasonable and supportable information, including the Group's credit risk control practices and the historical recovery rate of financial assets over 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

On that basis, the ECL of trade receivables and contract assets as at 31 March 2025 and 2026 and 30 June 2026 were immaterial.

The following is an aged analysis of trade receivables, presented based on the past due date at the end of each reporting period:

	As at 31 March		As at 30 June
	2025	**2026**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Not past due	6,516	4,627	1,409
1 to 30 days past due	—	1,492	—
31 to 90 days past due	1,572	—	—
91 to 180 days past due	305	—	—
	8,393	6,119	1,409

All contract assets as at 31 March 2025 and 2026 and 30 June 2026 are not yet past due.

Other financial assets at amortised cost

ECL for other financial assets at amortised cost, including amounts due from related companies and shareholders and refundable deposits and other receivables, are assessed on 12-month ECL basis as there had been no significant increase in credit risk since initial recognition.

In order to minimise the credit risk on refundable deposits and other receivables, the management of the Group closely monitor the follow-up action taken to recover any receivable balances outstanding over 180 days. In addition, the Group monitors subsequent settlement of each of the receivables to ensure that adequate impairment losses are made for irrecoverable amounts. In addition, the Group performs impairment assessment under ECL model in accordance with HKFRS 9 on other balances individually. In this regard, the directors of the Company consider that the Group's credit risk on the refundable deposits and other receivables is immaterial.

The management of the Company performed impairment assessment on amounts due from related companies and shareholders based on the sufficiency of accessible highly liquid assets, or the expected manner of recovery in the next 12 months. In addition, equity interest of the shareholder in the Company is also considered. The ECL will be the effect of discounting the expected repayments at the loans effective interest rate over the period until cash is realised. On that basis, as at 31 March 2025 and 2026 and 30 June 2026, the ECL of the amounts due from related companies and shareholders were immaterial.

(c) Liquidity risk

The Group aims at maintaining a balance between continuity of funding and flexibility through maintaining sufficient cash and bank balances. The Group monitored its compliance with covenants and repayment schedules of bank borrowings, and took measures to improve the Group's financial position. The directors of the Company have also reviewed the Group's working capital and capital expenditure requirements and determined that the Group has no significant liquidity risk.

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. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time based regardless of the probability of the banks choosing to exercise their rights. The total undiscounted cash flows of each financial liability based on the earliest date on which the Company can be required to pay approximate to their carrying amounts at each of the end of the reporting period as follows:

	Weighted average interest rate per annum	On demand or within 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total contractual undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2025						
Trade payables	—	11,621	—	—	11,621	11,621
Accruals and other payables	—	1,452	—	—	1,452	1,452
Lease liabilities	4.97	302	330	83	715	673
Bank borrowings	2.76	4,488	—	—	4,488	4,488
		17,863	330	83	18,276	18,234
At 31 March 2026						
Trade payables	—	4,197	—	—	4,197	4,197
Accruals and other payables	—	1,431	—	—	1,431	1,431
Lease liabilities	4.97	302	83	—	385	372
Bank borrowings	2.53	3,751	—	—	3,751	3,751
		9,681	83	—	9,764	9,751
At 30 June 2026						
Trade payables	—	2,744	—	—	2,744	2,744
Accruals and other payables	—	11,950	—	—	11,950	11,950
Lease liabilities	4.97	302	—	—	302	294
Bank borrowings	3.58	5,585	—	—	5,585	5,585
		20,581	—	—	20,581	20,573

The table below summarises the maturity analysis of bank borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand or within 1 year" time band in the maturity analysis contained in the above table.

The directors of the Company do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors of the Company believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

	Maturity analysis — Bank borrowings subject to a repayable on demand clause based on scheduled repayments					
	On demand or within 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Over 5 years	Total contractual undiscounted cash flows	Carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2025						
Bank borrowings	858	855	2,287	885	4,885	4,488
At 31 March 2026						
Bank borrowings	855	855	1,811	506	4,027	3,751
At 30 June 2026						
Bank borrowings	2,878	855	1,692	411	5,836	5,585

(d) Fair values of financial instruments

At 31 March 2025 and 2026 and 30 June 2026, all financial instruments are carried at amounts not materially different from their fair values.

32. CAPITAL RISK MANAGEMENT

To ensure the Group is able to attain the minimum level of working capital for its business operations and maintenance of their qualifications, the Group has adopted a prudent treasury management policy to (i) ensure that the Group's funds are properly and efficiently collected and deployed such that there is no material shortfall in cash which may interrupt the Group's daily business obligations; (ii) maintain sufficient level of funds to settle the Group's capital commitments when they fall due; (iii) maintain adequate liquidity to cover the Group's operation cash flow, project expenditures and administrative expenses; and (iv) streamline the Group's operational processes to achieve savings in project-related costs, maintenance and other operating costs. The Group expects to finance its operation and capital requirements by utilising its existing financial resources. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debts, which includes bank borrowings and lease liabilities, net of cash at banks and equity attributable to owners of the Group, comprising share capital and reserves. The Group is not subject to any externally imposed capital requirement.

In particular, the management have adopted the following measures to manage the liquidity and working capital positions:

(i) the management is responsible for the overall monitoring of the current and expected liquidity requirements on a monthly basis to ensure that the Group maintains sufficient financial resources to meet the liquidity requirements;

(ii) as a general policy, the Group only procures goods and services from the suppliers and subcontractors (such as renting of machinery and equipment and purchase of building work services from the subcontractors) on an as-needed basis according to the requirements and schedule of the project to prevent excessive purchases; and

(iii) the management closely monitor the working capital to ensure that the financial obligations can be fulfilled when due, by, among other things, ensuring healthy bank balances and cash for payment of short-term working capital needs, performing monthly review of trade receivables and ageing analysis, and following up closely to ensure prompt receipt of amounts due from customers, and performing monthly review of trade payables and ageing analysis to ensure that payments to the suppliers and subcontractors are made on a timely basis.

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Bank borrowings	4,488	3,751	5,585
Lease liabilities	673	372	294
Total debt	5,161	4,123	5,879
Equity attributable to owners of the Company	49,068	72,967	19,965
Capital and total debt	54,229	77,090	25,844
Gearing ratio	9.5%	5.3%	22.7%

33. CASH FLOWS INFORMATION

(a) Non-cash transaction

During the year ended 31 March 2025, one of the subsidiaries of the Group allotted 16,000,000 ordinary shares to the controlling shareholders, with a consideration of HK$16,000,000 in aggregate. The consideration was included in amounts due from shareholders.

During the six months ended 30 June 2026, the amount due from Uni Real Estate of HK$11,230,000 is transferred to and assumed by Mr. Lo Kam Kenny by way of assignment.

During the six months ended 30 June 2026, the entire amounts due from Mr. Lo Cheuk Pui, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong are transferred to and assumed by Mr. Lo Kam Kenny by way of assignment.

During the six months ended 30 June 2026, the dividend of HK$22,000,000 was offset with the amount due from Mr. Lo Kam Kenny and the remaining dividend payable of HK$9,000,000 was credited to accruals and other payables.

(b) Reconciliation of liabilities arising from financing activities

The table below shows the material changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Amounts due to shareholders	Lease liabilities	Term loans included in bank borrowings
	HK$'000	*HK$'000* *(note 23)*	*HK$'000* *(note 24)*
At 1 April 2024	61	95	5,191
Changes from financing cash flows:			
Repayment of bank borrowings	—	—	(703)
Repayment of interests	—	—	(167)
Repayment to shareholders	(61)	—	—
Repayment of lease liabilities — principal	—	(340)	—
Repayment of lease liabilities — interest	—	(31)	—
Total changes from financing cash flows	(61)	(371)	(870)
Other changes:			
Addition of new lease	—	918	—
Interest expenses *(note 9)*	—	31	167
Total other changes	—	949	167

	Amounts due to shareholders *HK$'000*	Lease liabilities *HK$'000* *(note 23)*	Term loans included in bank borrowings *HK$'000* *(note 24)*
At 31 March 2025 and 1 April 2025	—	673	4,488
Changes from financing cash flows:			
Repayment of bank borrowings	—	—	(737)
Repayment of interests	—	—	(121)
Repayment of lease liabilities — principal	—	(301)	—
Repayment of lease liabilities — interest	—	(28)	—
Total changes from financing cash flows	—	(329)	(858)
Other change:			
Interest expenses *(note 9)*	—	28	121
At 31 March 2026 and 1 April 2026	—	372	3,751
Changes from financing cash flows:			
Repayment of bank borrowings	—	—	(189)
Repayment of interests	—	—	(34)
Repayment of lease liabilities — principal	—	(78)	—
Repayment of lease liabilities — interest	—	(5)	—
Total changes from financing cash flows	—	(83)	(223)
Other change:			
Interest expenses *(note 9)*	—	5	34
At 30 June 2026	—	294	3,562
At 1 April 2025	—	673	4,488
Changes from financing cash flows:			
Repayment of bank borrowings	—	—	(182)
Repayment of interests	—	—	(34)
Repayment of lease liabilities — principal	—	(74)	—
Repayment of lease liabilities — interest	—	(8)	—
Total changes from financing cash flows	—	(82)	(216)
Other change:			
Interest expenses	—	8	34
At 30 June 2025	—	599	4,306

34. PARTLY OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Set out below is summarised financial information for Power Construction during the Track Record Period, which 40% equity interest in Power Construction is held by a non-controlling interests that are material to the Group. The amounts disclosed for Power Construction are before inter-company eliminations.

	As at 31 March		As at 30 June
	2025	2026	2026
	HK$'000	*HK$'000*	*HK$'000*
Current assets	16,141	30,040	31,712
Current liabilities	(14,987)	(30,795)	(32,818)
Current net assets/(liabilities)	1,154	(755)	(1,106)
Non-current assets	—	3,037	3,582
Non-current liabilities	—	(298)	(380)
Net assets	1,154	1,984	2,096
Accumulated non-controlling interest	462	794	839

	Year ended 31 March		Three months ended 30 June	
	2025	2026	2025	2026
	HK$'000	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Revenue	15,398	75,315	19,993	18,257
Profit and total comprehensive income for the year/ period	1,144	830	1,501	112
Profit allocated to non-controlling interest	458	332	600	45
Dividends paid to non-controlling interest	—	—	—	—
Cash flows from/(used in) operating activities	5,436	5,804	7,805	(4,156)
Cash flows used in investing activities	—	(3,840)	(1,473)	(919)
Net increase/(decrease) in cash and cash equivalents	5,436	1,964	6,332	(5,075)

35. LITIGATION

Litigation claim relating to injury sustained by an individual employed by a subcontractor

On 19 July 2023, an individual who was employed by a subcontractor drove a heavy goods vehicle to transport construction waste materials from a construction site and was involved in an accident on a public road. The individual alleged that the accident was caused by an imbalance in the loading of construction waste materials in the skip of the vehicle. As such, the individual filed a civil litigation claim against Riseship Construction in the District Court for compensation for his injury but without a statement of claim on 13 May 2026.

In the view of the legal counsel, the litigation risk of the Group is low, due to (i) the individual was not an employee of the Group, and therefore the Group is remote from the individual and the accident; (ii) the accident occurred away from the site; (iii) the individual bore primary statutory duty to inspect the load and ensure the vehicle was safe before departure; (iv) preliminary police investigation suggests error of the individual; (v) the claim was brought outside the statutory period; and (vi) no other similar incidents happened in the site. The directors of the Company, based on the opinion of legal counsel, considered that the Group has a strong defence and is remote from the events giving rise to the claim and believed that no provision for the claim should be recognised at this stage.

Other than the disclosure of above, as at the end of each of the reporting period, the Group was not involved in any other material litigation or arbitration. As far as the Group was aware, the Group had no other material litigation or claim which was pending or threatened against the Group.

36. EVENT AFTER THE REPORTING PERIOD

Save as the completion of the Reorganisation disclosed in note 2.1[, release of guarantee provided by the Controlling Shareholders disclosed in note 29] and the share reduction of Riseship Construction disclosed in note 27, the Company or any of its subsidiaries have no other material events after the reporting period.

37. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to 30 June 2026.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Set out below is a summary of certain provisions of the constitution of the Company and certain aspects of the Cayman Companies Act.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 19 August 2026 under the Cayman Companies Act. The Company's constitutional documents consist of the Memorandum of Association and the Articles of Association.

1. MEMORANDUM OF ASSOCIATION

The Memorandum was conditionally adopted on [●] 2026 with effect from the **[REDACTED]**.

The Memorandum provides, *inter alia*, that the liability of the members of the Company is limited to the amount from time to time unpaid on such member's shares, that the objects for which the Company is established are unrestricted (and therefore include acting as an investment holding company) and that the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on [date] and with effect from the **[REDACTED]**. A summary of certain provisions of the Articles is set out below.

2.1 Shares

(a) Classes of Shares

The share capital of the Company consists of a single class of ordinary shares.

(b) Variation of Rights of Existing Shares or Classes of Shares

If at any time the share capital of the Company is divided into different classes of Shares, all or any of the rights attached to any class of Shares for the time being issued (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least three-fourths of the issued Shares of that class (excluding treasury shares), or with the approval of a resolution passed by at least three-fourths of the votes cast by the holders of the Shares of that class (excluding treasury shares) present and voting in person (whether physically or by virtual attendance with the use of electronic facilities) or by proxy at a separate meeting of such holders. The provisions of the Articles relating to general meetings shall apply *mutatis mutandis* to every such separate meeting, except that the necessary quorum shall be two persons together holding (or, in the case of a member being a corporation, by its duly authorised representative), or representing by proxy, at least one-third of the issued Shares of that class (excluding treasury shares). Every holder of Shares of the class (excluding treasury shares) present in person (whether physically or by virtual attendance with the use of electronic facilities), or, in the case of the member being a corporation, by its duly authorised representative or by proxy may demand a poll, upon which every such holder shall be entitled to one vote for every such Share held by him.

For the purposes of a separate class meeting, the Board may treat two or more classes of Shares as forming one class of Shares if the Board considers that such classes of Shares would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate classes of Shares.

Any rights conferred upon the holders of Shares of any class shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith. For the avoidance of doubt, Shares do not constitute a separate class solely by virtue of being in certificated form or uncertificated form.

(c) Alteration of Capital

The Company may by ordinary resolution of its members:

(i) increase its share capital by the creation of new Shares of such amount and with such rights, priorities and privileges attached to such Shares as it may determine;

(ii) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares. On any consolidation of fully paid Shares and division into Shares of a larger amount, the Board may settle any difficulty which may arise as it thinks expedient and, in particular (but without prejudice to the generality of the foregoing), may as between the holders of Shares to be consolidated determine which particular Shares are to be consolidated into a consolidated Share, and if it shall happen that any person shall become entitled to fractions of a consolidated Share or Shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the Shares so sold to the purchaser(s) thereof and the validity of such transfer shall not be questioned, and the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated Share or Shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

(iii) sub-divide its Shares or any of them into Shares of an amount smaller than that fixed by the Memorandum;

(iv) cancel any Shares which, as at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled;

(v) make provision for the allotment and issue of Shares which do not carry any voting rights;

(vi) change the currency of denomination of its share capital; and/or

(vii) reduce its share premium account in any manner authorised, and subject to any conditions prescribed by law.

The Company may by special resolution reduce its share capital or any capital redemption reserve, subject to the provisions of the Cayman Companies Act.

(d) Transfer of Shares

Subject to the terms of the Articles, any member of the Company may transfer all or any of his Shares. If the Shares in question were issued in conjunction with rights, options, warrants or units issued pursuant to the Articles on terms that one cannot be transferred without the other, the Board shall refuse to register the transfer of any such Share without evidence satisfactory to it of the like transfer of such right, option, warrant or unit.

Subject to the Articles and the Cayman Companies Act, all transfers of Shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a recognised clearing house or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time. Notwithstanding the aforesaid, for so long as the Shares are prescribed securities (as defined in the Securities and Futures Ordinance) and are not in the process of delisting and save as otherwise permitted or required under the Securities and Futures (Uncertificated Securities Market) Rules, with effect from (and including) the day on which the Shares become participating securities (as defined in the Securities and Futures (Uncertificated Securities Market) Rules), they may be transferred as follows:

(i) if the Shares are held by the transferor in certificated form, by means of an instrument of transfer that complies with the Articles and the Securities and Futures (Uncertificated Securities Market) Rules; and

(ii) if the Shares are held by the transferor in uncertificated form, by means of a specified request from the transferor and transferee that complies with the Securities and Futures (Uncertificated Securities Market) Rules.

Notwithstanding the above, Shares held by the transferor in uncertificated form may be transferred by means of an instrument of transfer if the Board is satisfied that it is not reasonably practicable to transfer them by means of a specified request. A reasonable fee may be charged by the Company's approved securities registrar for registering any instrument of transfer, specified request or other document relating to or affecting the title to any share.

Execution of any instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the register of members of the Company in respect of that Share.

Subject to the provisions of the Cayman Companies Act, if the Board considers it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or locations within or outside the Cayman Islands or in electronic form as the Board thinks fit. The Board may, in its absolute discretion, at any time transfer any Share on the principal register to any branch register or any Share on any branch register to the principal register or any other branch register. Notwithstanding the aforesaid, for so long as the Shares are prescribed securities and in respect of that portion of the branch register in Hong Kong relating to such Shares, the Company shall keep a branch register in Hong Kong in accordance with the Securities and Futures (Uncertificated Securities Market) Rules.

The Board may, in its absolute discretion, decline to register a transfer of any Share (not being a fully paid Share) to a person of whom it does not approve or on which the Company has a lien, or a transfer of any Share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any Share to more than four joint holders. It may also decline to recognise any instrument of transfer if the proposed transfer does not comply with the Articles or any requirements of the Listing Rules.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine or the Code of Conduct for Approved Securities Registrars may prescribe to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of Share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) (if one has been issued) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

Without prejudice to the foregoing, the Board may also refuse to register the transfer of a Share:

(i) if the Share is in certificated form, and a specified request is sent;

(ii) if the Share is in uncertificated form, and (A) the specified request is not sent in accordance with the operating rules of the Company's approved securities registrar or (B) subject to the Articles, an instrument of transfer is lodged; or

(iii) on any other ground provided under the USM Rules.

For so long as the Shares are participating securities and are not in the process of delisting and save as otherwise permitted or required under the Securities and Futures (Uncertificated Securities Market) Rules, the Board may refuse to register the transfer or transmission of a Shares if:

(i) the Share is in certificated form and a dematerialisation request in respect of that Share and any other Share covered by the same certificate as that Share is not received or is refused under the Securities and Futures (Uncertificated Securities Market) Rules;

(ii) the Share is in uncertificated form as a result of the Company having initiated its dematerialisation, and the dematerialisation fee payable in respect of the dematerialisation remains unpaid; or

(iii) the transferor, transferee or transmittee (as applicable) of the Share is not a system-member of the system operated by the Company's approved securities registrar.

The register of members may, subject to the Listing Rules and the relevant section of the Companies Ordinance, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine (or such longer period as the members of the Company may by ordinary resolution determine, provided that such period shall not be extended beyond 60 days in any year).

Fully paid Shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens, provided that no transfer shall be made to an infant or to a person in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs or under other legal disability.

(e) Redemption of Shares

Subject to the provisions of the Cayman Companies Act, the Listing Rules and any rights conferred on the holders of any Shares or attaching to any class of Shares, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the members or the Company. The redemption of such Shares shall be effected in such manner and upon such other terms as the Company may by special resolution determine before the issue of such Shares.

(f) Power of the Company to Purchase its own Shares

Subject to the Cayman Companies Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to purchase or otherwise acquire all or any of its own Shares (which includes redeemable Shares), provided that the manner and terms of purchase have first been authorised by ordinary resolution and that any such purchase shall only be made in

accordance with the relevant code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong from time to time in force.

(g) Treasury Shares

Subject to the Cayman Companies Act, Shares that have been purchased or redeemed by the Company or surrendered to the Company may be held as treasury shares in accordance with the Cayman Companies Act. In the event the Board does not specify that the relevant Shares are to be held as treasury shares, such Shares shall be cancelled. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be declared or paid in respect of a treasury share. The Company shall be entered in the register of members as the holder of the treasury shares provided that:

(i) the Company shall not be treated as a member for any purpose and shall not exercise any right in respect of the treasury shares, and any purported exercise of such right shall be void;

(ii) a treasury share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted as issued Shares at any given time, whether for the purposes of the Articles or the Cayman Companies Act, save that an allotment of Shares as fully paid bonus Shares in respect of a treasury share is permitted and Shares allotted as fully paid bonus Shares in respect of a treasury share shall be treated as treasury shares.

Subject to the Cayman Companies Act and the Listing Rules, treasury shares may be disposed of by the Company on such terms and conditions as determined by the Board.

(h) Power of any Subsidiary of the Company to own Shares in the Company

There are no provisions in the Articles relating to the ownership of Shares in the Company by a subsidiary.

(i) Calls on Shares and Forfeiture of Shares

Subject to the terms of allotment and issue of any Shares (if any), the Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the Shares held by them (whether in respect of par value or share premium). A member who is the subject of the call shall (subject to receiving at least 14 clear days' notice specifying the time or times for payment) pay to the Company at the time or times so specified the amount called on his Shares. A call may be made payable either in one sum or by instalments, and shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. The joint holders of a Share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such Share.

If a call remains unpaid after it has become due and payable, the member from whom the sum is due shall pay interest on the unpaid amount at such rate as the Board shall determine (together with any expenses incurred by the Company as a result of such non-payment) from the day it became due and payable until it is paid, but the Board may waive payment of such interest or expenses in whole or in part.

If a member fails to pay any call or instalment of a call after it has become due and payable, the Board may, for so long as any part of the call or instalment remains unpaid, give to such member not less than 14 clear days' notice requiring payment of the unpaid amount together with any interest which may have accrued and which may still accrue up to the date of payment (together with any expenses incurred by the Company as a result of such non-payment). The notice shall specify a further day on or before which the payment required by the notice is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the Shares in respect of which the call was made will be liable to be forfeited.

If such notice is not complied with, any Share in respect of which the notice was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Board. Such forfeiture shall include all dividends, other distributions and other monies payable in respect of the forfeited Share and not paid before the forfeiture.

A person whose Shares have been forfeited shall cease to be a member in respect of the forfeited Shares, shall surrender to the Company for cancellation the certificate(s) (if share certificate(s) have been issued) for the Shares forfeited and shall remain liable to pay to the Company all monies which, as at the date of forfeiture, were payable by him to the Company in respect of the Shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of payment as the Board may determine and any expenses incurred by the Company as a result of such non-payment.

2.2 Directors

(a) Appointment, Retirement and Removal

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. If the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

The Company may by ordinary resolution of the members elect any person to be a Director. The Board may also appoint any person to be a Director at any time, either to fill a casual vacancy or as an additional Director subject to any maximum number fixed by the members in general meeting or the Articles. Any Director so appointed shall hold office only

until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The members may by ordinary resolution remove any Director (including a managing or executive Director) before the expiration of his term of office, notwithstanding anything in the Articles or any agreement between the Company and such Director, and may by ordinary resolution elect another person in his stead. Nothing shall be taken as depriving a Director so removed of any compensation or damages payable to such Director in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director.

The office of a Director shall be vacated if:

(i) the Director gives notice in writing to the Company that he resigns from his office as Director;

(ii) the Director is absent, without being represented by proxy or an alternate Director appointed by him, for a continuous period of 12 months without special leave of absence from the Board, and the Board passes a resolution that he has by reason of such absence vacated his office;

(iii) the Director becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(iv) the Director dies or an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;

(v) the Director is prohibited from being or ceases to be a Director by operation of law;

(vi) the Director has been required by the Stock Exchange to cease to be a Director or no longer qualifies to be a Director pursuant to the Listing Rules;

(vii) the Director is removed from office by an ordinary resolution; or

(viii) the Director is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

The Board may appoint any one or more of them to the office of managing director, joint managing director, deputy managing director or other executive director and/or such other office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit. The Board may delegate any of its powers to committees consisting of such Director(s) and other persons as it thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(b) Power to Allot and Issue Shares and other Securities

Subject to the provisions of the Cayman Companies Act, the Memorandum and Articles and, where applicable, the Listing Rules, and without prejudice to any rights or restrictions for the time being attached to any Shares, the Board may allot, issue, grant options over or otherwise dispose of Shares with or without preferred, deferred or other rights or restrictions, whether with regard to dividend, voting, return of capital or otherwise, to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, provided that no Shares shall be issued at a discount to their par value.

The Company may issue rights, options, warrants or convertible securities or securities of a similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any class of Shares or other securities in the Company on such terms as the Board may from time to time determine.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of Shares, to make, or make available, any such allotment, offer, option or Shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(c) Power to Dispose of the Assets of the Company or any of its Subsidiaries

Subject to the provisions of the Cayman Companies Act and the Memorandum and Articles, the Board may exercise all powers and do all acts and things which may be exercised or done by the Company to dispose of the assets of the Company or any of its subsidiaries. No alteration to the Memorandum or Articles shall invalidate any prior act of the Board which would have been valid if such alteration or direction had not been made or given.

(d) Borrowing Powers

The Board may exercise all the powers of the Company to raise or borrow money, secure the payment of any sum or sums of money for the purposes of the Company, mortgage or charge all or any part of its undertaking, property and uncalled capital of the Company, and, subject to the Cayman Companies Act, issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(e) Remuneration

A Director shall be entitled to receive such sums as shall from time to time be determined by the Company in general meetings or the Board. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in connection with attendance at meetings of the Board or committees of the Board, or general meetings of the Company or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company and the discharge of their duties as Directors, and/or to receive fixed allowances in respect thereof as may be determined by the Board.

An executive Director or a Director appointed to any other office in the management of the Company may receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration may be either in addition to his remuneration as a Director.

The Board or the Company in general meetings may also approve additional remuneration to any Director for any services which in the opinion of the Board or the Company in general meetings go beyond such Director's ordinary routine work as a Director.

The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Board may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

(f) Compensation or Payments for Loss of Office

There are no provisions in the Articles relating to compensation or payment for loss of office.

(g) Loans to Directors

There are no provisions in the Articles relating to making of loans to Directors.

(h) Disclosure of Interest in Contracts with the Company or any of its Subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company.

No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, nor shall any such contract or any other contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director is in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by or arising in connection with any such contract or transaction by reason of such Director or alternate Director holding such office or of the fiduciary relationship established by it, provided that the nature of interest of any Director or alternate Director in any such contract or transaction shall be disclosed by such Director or alternate Director at or prior to the consideration and vote thereon.

A Director shall not vote on (or be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or other proposal in which he or any of his close associate(s) (or, if required by the Listing Rules, his other associates) has/have a material interest, and if he shall do so his vote shall not be counted and he shall not be counted in the quorum for such resolution. This prohibition shall not apply to any of the following matters:

(i) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of Shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub- underwriting of the offer;

(iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of (A) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit or (B) any pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(v) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of Shares, debentures or other securities of the Company by virtue only of his/their interest in those Shares, debentures or other securities of our Company.

2.3 Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Unless otherwise determined, two Directors shall be a quorum. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.4 Alterations to the Constitutional Documents and the Company's Name

The Memorandum and Articles may only be altered or amended, and the name of the Company may only be changed, by special resolution of the Company.

2.5 Meetings of Members

(a) Special and Ordinary resolutions

A special resolution must be passed by a majority of not less than three-fourths/two-thirds (other than in relation to any resolution approving changes to the Company's constitutional documents or a voluntary winding up of the Company, in which case a special resolution must be passed by a majority of not less than three-fourths) of the voting rights held by such members as, being entitled so to do, vote in person (whether physically or by virtual attendance with the use of electronic facilities), or by proxy or, in the case of any member which is a corporation, by its duly authorised representative(s) or by proxy, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. A special resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

An ordinary resolution, in contrast, is a resolution passed by a simple majority of the voting rights held by such members as, being entitled to do so, vote in person (whether physically or by virtual attendance with the use of electronic facilities), or by proxy or, in the case of any member which is a corporation, by its duly authorised representative(s) or by proxy, at a general meeting. An ordinary resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

The provisions of special resolutions and ordinary resolutions shall apply *mutatis mutandis* to any resolutions passed by the holders of any class of Shares.

(b) Voting Rights and Right to Demand a Poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of Shares, at any general meeting: (a) on a poll every member present in person (whether physically or by virtual attendance with the use of electronic facilities), or, in the case of a member being a corporation, by its duly authorised representative or by proxy shall have one vote for every Share and (b) on a show of hands every member who is present in person (whether physically or by virtual attendance with the use of electronic facilities), or, in the case of a member being a corporation, by its duly authorised representative or by proxy shall have one vote. For the avoidance of doubt, votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Board or the chairman of the meeting may determine.

In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members of the Company.

No person shall be counted in a quorum or be entitled to vote at any general meeting unless he is registered as a member on the record date for such meeting, nor unless all calls or other monies then payable by him in respect of the relevant Shares have been paid.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands (whether physically or by virtual attendance with the use of electronic facilities).

Any corporation or other non-natural person which is a member of the Company may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members, and the person so authorised shall be entitled to exercise the same powers as the corporation or other non-natural person could exercise as if it were a natural person member of the Company.

If a recognised clearing house or its nominee(s) is a member of the Company, it may appoint proxies or authorise such person or persons as it thinks fit to act as its representative(s), who enjoy rights equivalent to the rights of other members, at any meeting of the Company (including but not limited to general meetings and creditors meetings) or at any meeting of any class of members of the Company, provided that if more than one person is so authorised, the instrument appointing a proxy or authorisation shall specify the number and class of Shares in respect of which each such person is so authorised. A person so authorised shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house or its nominee(s) as if such person were a natural person member of the Company, including the right to speak and vote individually on a show of hands or on a poll (whether physically or by virtual attendance with the use of electronic facilities).

All members of the Company (including a member which is a recognised clearing house (or its nominee(s))) shall have the right to (i) speak at a general meeting and (ii) and vote at a general meeting (whether physically or by virtual attendance with the use of electronic facilities), except where a member is required by the Listing Rules to abstain from voting to approve the matter under consideration. Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(c) Annual General Meetings and Extraordinary General Meetings

The Company must hold a general meeting as its annual general meeting for each financial year. Such meeting shall be specified as such in the notices calling it, and must be held within six months after the end of the Company's financial year (unless a longer period would not infringe the Listing Rules).

The Board may convene an extraordinary general meeting whenever it thinks fit. In addition, one or more members holding, as at the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights (on a one vote per Share basis) in the share capital of the Company may make a requisition to convene an extraordinary general meeting and/or add resolutions to the agenda of a meeting. Such requisition shall be made in writing to the Board or the company secretary and specify the business for consideration at such meeting. Such meeting shall be held within two months after the deposit of such requisition. If the Board does not within 21 days from the date of deposit of such requisition duly proceed to convene a general meeting, the requisitionists may do so in the same manner, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to the requisitionists by the Company.

All general meetings (including an annual general meeting, an extraordinary general meeting, any adjourned meeting or postponed meeting) may be held as a physical meeting, as a hybrid meeting or as an electronic meeting, as may be determined by the Board in its absolute discretion, and participation in such a meeting in any location(s) shall constitute presence at such meetings.

(d) Notices of Meetings and Business to be Conducted

An annual general meeting of the Company shall be called by at least 21 clear days' notice in writing, and any other general meeting of the Company shall be called by at least 14 clear days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify (a) the time of the meeting, (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board, the principal place of the meeting, (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) the particulars of the resolution(s) to be considered at the meeting, the general nature of the business to be considered at the meeting and details for members to attend the meeting virtually with the use of electronic facilities (if applicable).

Except where otherwise expressly stated, subject to compliance with the Listing Rules, any notice or document (including any corporate communication and actionable corporate communication) to be given or issued under the Articles may be given or issued by the Company on any member personally, by post to such member's registered address, (to the extent permitted by the Listing Rules and all applicable laws and regulations) by electronic means or (in the case of a notice) by advertisement published in the manner prescribed under the Listing Rules. Without limiting the generality of the foregoing but subject to the Cayman Companies Act and the Listing Rules, a notice or document may be served or delivered by the Company to any member by electronic means to such address as may from time to time be authorised by the member concerned or by publishing it on a website and notifying the member concerned that it has been so published.

Notwithstanding that a meeting of the Company is called by shorter notice than as specified above, if permitted by the Listing Rules, such meeting may be deemed to have been duly called if it is so agreed:

(i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights held by such members.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board in its absolute discretion considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place or by means of electronic facilities specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting).

The Board also has the power to provide in every notice calling a general meeting that in the event of a gale warning, a black rainstorm warning or extreme conditions is/are in force at any time on the day of the general meeting (unless such warning is cancelled at least a minimum period of time prior to the general meeting as the Board may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date.

Where a general meeting is postponed:

(A) the Company shall endeavour to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company's website and published on the Stock Exchange's website as soon as practicable, provided that failure to place or publish such notice shall not affect the automatic postponement of a general meeting due to a gale warning, a black rainstorm warning or extreme conditions being in force on the day of the general meeting;

(B) if only the form of the meeting or electronic facilities specified in the notice are changed, the Board shall notify the members of details of such change in such manner as the Board may determine;

(C) subject to the Articles, unless already specified in the original notice of the meeting, the Board shall determine the date, time, place (if applicable) and electronic facilities (if applicable) for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting. Such notice shall specify the date, time, place (if applicable) and electronic facilities (if applicable) at which the postponed meeting will be reconvened, and the date and time by which instruments of proxies shall be submitted in order to be valid at such reconvened meeting (provided that any instrument of proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new instrument of proxy); and

(D) only the business set out in the notice of the original meeting shall be considered at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be considered at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where any new business is to be considered at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with the Articles.

(e) Quorum for Meetings and Separate Class Meetings

No business shall be considered at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (whether physically or by virtual attendance with the use of electronic facilities), or in the case of a member being a corporation, by its duly authorised representative or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to approve the variation of class rights, the necessary quorum shall be two persons holding or representing by proxy not less than one-third of the issued Shares of that class.

(f) Proxies

Any member of the Company (including a member which is a recognised clearing house (or its nominee(s))) entitled to attend and vote at a meeting of the Company is entitled to appoint another person (being a natural person) as his proxy to attend and vote in his place. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting, provided that the number of proxies appointed by a member who is an individual may not exceed two. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is a natural person and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were a natural person member present in person (whether physically or by virtual attendance with the use of electronic facilities) at any general meeting. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

The instrument appointing a proxy shall be in writing and executed under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation or other non-natural person, either under its seal or under the hand of a duly authorised representative.

The Board shall, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner by which the instrument appointing a proxy shall be sent by electronic means (if such means are provided) or deposited and the place and time (being no later than the time appointed for the commencement of the meeting or adjourned meeting to which the instrument of proxy relates) at which such instrument shall be deposited.

Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form that complies with the Listing Rules as the Board may from time to time approve. Any form issued to a member for appointing a proxy to attend and vote at a general meeting at which any business is to be considered shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise the discretion of the proxy in respect of) each resolution dealing with any such business.

2.6 Accounts and Audit

The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions in accordance with the Cayman Companies Act.

The books of accounts of the Company shall be kept at the principal place of business of the Company in Hong Kong or, subject to the provisions of the Cayman Companies Act, at such other place or places as the Board thinks fit and shall always be open to inspection by any Director. No member (not being a Director) or other person shall have any right to inspect any account, book or document of the Company except as conferred by the Cayman Companies Act or ordered by a court of competent jurisdiction or as authorised by the Board or the Company in general meeting.

The Board shall cause to be prepared and laid before the Company at every annual general meeting a profit and loss account for the period since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up, a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditors' report on such accounts and such other reports and accounts as may be required by law and the Listing Rules.

The members shall at each annual general meeting appoint auditor(s) to hold office by ordinary resolution of the members until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the members at the annual general meeting at which they are appointed by ordinary resolution of the members or in any other manner as specified in such ordinary resolution. The members may, at any general meeting convened and held in accordance with the Articles, remove the auditors by ordinary resolution at any time before the expiration of the term of office and shall, by ordinary resolution, at that meeting appoint new auditors in their place for the remainder of the term.

The accounts of the Company shall be prepared and audited based on the generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

2.7 Dividends and other Methods of Distribution

Subject to the Cayman Companies Act and the Articles, the Company may by ordinary resolution resolve to declare dividends and other distributions on Shares in issue in any currency and authorise payment of the dividends or distributions out of the funds of the Company lawfully available therefor, provided that (i) no dividends shall exceed the amount recommended by the Board, and (ii) no dividends or distributions shall be paid except out of the realised or unrealised profits of the Company, out of the share premium account or as otherwise permitted by law.

The Board may from time to time pay to the members of the Company such interim dividends as appear to the Board to be justified by the financial conditions and the profits of the Company. In addition, the Board may from time to time declare and pay special dividends on Shares of such amounts and on such dates as it thinks fit.

The Board may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to our Company on account of calls. Except as otherwise provided by the rights attached to any Shares, all dividends and other distributions shall be paid according to the amounts paid up on the Shares that a member holds during the period in respect of which the dividends and distributions are paid. No amount paid up on a Share in advance of calls shall for this purpose be treated as paid up on the Share.

The Board may deduct from any dividends or other distributions payable to any member of the Company all sums of money (if any) then payable by him to the Company on account of calls or otherwise. The Board may retain any dividends or distributions payable on or in respect of a Share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

No dividends or other distributions payable by the Company on or in respect of any Share shall carry interest against the Company.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may further resolve:

(a) that such dividend be satisfied in whole or in part in the form of an allotment of Shares credited as fully paid on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(b) that the members entitled to such dividend will be entitled to elect to receive an allotment of Shares credited as fully paid in lieu of the whole or such part of the dividend as the Board may think fit on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee.

Upon the recommendation of the Board, the Company may by ordinary resolution resolve in respect of any one particular dividend of the Company determine that notwithstanding the foregoing, a dividend may be satisfied wholly in the form of an allotment of Shares credited as fully paid without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividends, distributions or other monies payable in cash in respect of Shares may be paid or satisfied by electronic means (including but not limited to electronic funds transfer or wire transfer) or by cheque or warrant sent by post to the registered address of such holder, or in the case of joint holders, to the registered address of the holder who is first named on the register of members of the Company, or to such person and to such address as the holder or joint holders may

in writing direct. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other monies payable in respect of the Shares held by them as joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied in whole or in part by the distribution of specific assets of any kind.

Any dividends or other distributions which remain unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company and after such forfeiture no member or other person shall have any right to or claim in respect of such dividends or bonuses.

2.8 Inspection of Corporate Records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed in accordance with the Companies Ordinance) without charge. For so long as the Shares are prescribed securities and in respect of that portion of the branch register in Hong Kong relating to such Shares, a person may, in accordance with the Securities and Futures (Uncertificated Securities Market) Rules, inspect, make copies of, and request to be provided with copies of, entries in the branch register in Hong Kong.

2.9 Rights of Minorities in relation to Fraud or Oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under the Cayman Islands laws, as summarised in paragraph 3.6 below.

2.10 Procedures on Liquidation

Subject to the Cayman Companies Act, the members of the Company may by special resolution resolve to wind up the Company voluntarily or by the court.

Subject to any rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of Shares:

(a) if our Company is wound up and the assets available for distribution among the members of the Company are more than sufficient to repay the whole of the Company's paid up capital at the commencement of the winding up, the surplus shall be distributed *pari passu* among such members in proportion to the amount paid up on the Shares held by them at the commencement of the winding up; and

(b) if the assets available for distribution among the members of the Company are insufficient to repay the whole of the Company's paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or ought to be paid up, on the Shares held by them at the commencement of the winding up.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the approval of a special resolution and any other approval required by the Cayman Companies Act, divide among the members in kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like approval, vest any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator thinks fit, provided that no member shall be compelled to accept any shares or other assets upon which there is a liability.

2.11 Uncertificated Securities Market Regime

Unless otherwise required under applicable law of the Cayman Islands, if any provision of the Articles conflicts or is inconsistent with any provision of the uncertificated securities market regime (and irrespective of whether the provision is mandatory or enabling in nature), the latter will prevail to the extent of the conflict or inconsistency. If the Articles are silent in respect of any matter provided for under any provision of the uncertificated securities market regime (and irrespective of whether the matter is required or permitted under such provision), the matter will be regarded as required or permitted (as the case may be) under the Articles.

3. CAYMAN ISLANDS COMPANIES ACT

The Company is incorporated in the Cayman Islands as an exempted company on 19 August 2026 subject to the Cayman Companies Act. Certain provisions of the company laws of the Cayman Islands are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the company laws of the Cayman Islands, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar. For the avoidance of doubt, special resolution used in the below summary shall have the meaning as set out in the Cayman Companies Act.

3.1 Company Operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

3.2 Share Capital

Under the Cayman Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called the share premium account. At the option of a company, these provisions may not apply to premium on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

(a) paying distributions or dividends to members;

(b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(c) any manner provided in section 37 of the Cayman Companies Act;

(d) writing-off the preliminary expenses of the company; and

(e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Cayman Companies Act provides that, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, reduce its share capital in any way (i) by special resolution and confirmation by the Grand Court of the Cayman Islands (the "**Court**"); or (ii) by special resolution supported by a solvency statement in accordance with section 14A of the Cayman Companies Act.

3.3 Financial Assistance to Purchase Shares of a Company or its Holding Company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

3.4 Purchase of Shares and Warrants by a Company and its Subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under the Cayman Islands laws that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

3.5 Dividends and Distributions

Subject to a solvency test, as prescribed in the Cayman Companies Act, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

3.6 Protection of Minorities and Shareholders' Suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss vs. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up. In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

3.7 Disposal of Assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

3.8 Accounting and Auditing Requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it; and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

3.9 Exchange Control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

3.10 Taxation

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

3.11 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

3.12 Loans to Directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

3.13 Inspection of Corporate Records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

3.14 Register of Members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands.

3.15 Register of Directors and Officers

Pursuant to the Cayman Companies Act, the Company is required to maintain at its registered office a register of directors, alternate directors and officers. The Registrar of Companies shall make available the list of the names of the current directors of the Company (and, where applicable, the current alternate directors of the Company) for inspection by any person upon payment of a fee by such person. A copy of the register of directors and officers must be filed with the Registrar of Companies in the Cayman Islands, and any change must be notified to the Registrar of Companies within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

3.16 Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

3.17 Mergers and Consolidations

The Cayman Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of

association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting members have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

3.18 Mergers and Consolidations involving a Foreign Company

Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to the foreign company, the directors of the Cayman Islands exempted company are required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or its property or any part thereof; and (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company is the Cayman Islands exempted company, the directors of the Cayman Islands exempted company are further required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidation is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

3.19 Reconstructions and Amalgamations

Reconstructions and amalgamations may be approved by (i) 75% in value of the members or class of members or (ii) a majority in number representing 75% in value of the creditors or class of creditors, in each case depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, it can be expected that the court would approve the transaction if it is satisfied that (i) the company is not proposing to act illegally or beyond the scope of its corporate authority and the statutory provisions as to majority vote have been complied with, (ii) the members have been fairly represented at the meeting in question, (iii) the transaction is such as a businessman would reasonable approve and (iv) the transaction is not one that would more properly be sanctioned under some other provisions of the Cayman Companies Act or that would amount to a "fraud on the minority".

The Cayman Companies Act also contains statutory provisions which provide that a company may present a petition to the Court for the appointment of a restructuring officer on the grounds that the company (i) is or is likely to become unable to pay its debts within the meaning of section 93 of the Cayman Companies Act; and (ii) intends to present a compromise or arrangement to its creditors (or classes thereof) either, pursuant to the Cayman Companies Act, the law of a foreign country or by way of a consensual restructuring. The petition may be presented by a company acting by its directors, without a resolution of its shareholders or an express power in its articles of association. On hearing such a petition, the Court may, among other things, make an order appointing a restructuring officer or make any other order as the Court thinks fit.

If the transaction is approved, no dissenting member would have any rights comparable to the appraisal rights (namely the right to receive payment in cash for the judicially determined value of his shares), which may be available to dissenting members of corporations in other jurisdictions.

3.20 Takeovers

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

3.21 Indemnification

The Cayman Islands laws do not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

3.22 Economic Substance

The Cayman Islands enacted the International Tax Co-operation (Economic Substance) Act (2026 Revision) together with the Guidance Notes published by the Cayman Islands Tax Information Authority from time to time. If a company is considered to be a "relevant entity" and is conducting one or more of the nine "relevant activities", then such company will be required to comply with the economic substance requirements in relation to the relevant activity from 1 July 2019. All companies, whether a relevant entity or not, are required to file an annual report with the Registrar of Companies of the Cayman Islands confirming whether or not it is carrying on any relevant activities.

4. GENERAL

Harney Westwood & Riegels, the Company's legal adviser on Cayman Islands laws, has sent to the Company a letter of advice summarising the aspects of the Cayman Companies Act set out in section 3 above. This letter, together with copies of the Cayman Companies Act, the Memorandum and the Articles, is on display on the websites of the Stock Exchange and the Company as referred to in the paragraph headed "Documents available on display" in Appendix V. Any person wishing to have a detailed summary of the Cayman Companies Act or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation

Our Company was incorporated in the Cayman Islands under the Cayman Companies Act as an exempted company with limited liability on 19 August 2026. Our Company has established a principal place of business in Hong Kong at [●] and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on [●]. In connection with such registration, [●] have been appointed as authorised representatives of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company is incorporated in the Cayman Islands, it is subject to the Cayman Companies Act and its constitutional documents comprising the Memorandum of Association and the Articles of Association. A summary of various parts of the constitutional documents and relevant aspects of the Cayman Companies Act is set out in Appendix III to this document.

2. Changes in issued share capital of our Company

The authorised share capital of our Company as at the date of its incorporation was HK$**[REDACTED]** divided into **[REDACTED]** Shares of HK$**[REDACTED]** each. The following alterations in the share capital of our Company have taken place and will take place since the date of its incorporation:

(a) On 19 August 2026, in consideration of the transfers of shares of Cheuk Power Holding Limited by HonTide, Legacy Capital, **[REDACTED]**, **[REDACTED]**, **[REDACTED]** and **[REDACTED]** to the Company, the Company allotted and issued **[REDACTED]** Shares, **[REDACTED]** Shares, **[REDACTED]** Shares, **[REDACTED]** Shares, **[REDACTED]** Shares and **[REDACTED]** Shares of HK$0.01 each, credited as fully paid, to HonTide, Legacy Capital, **[REDACTED]**, **[REDACTED]**, **[REDACTED]** and **[REDACTED]**, respectively.

(b) Immediately following the **[REDACTED]** of the **[REDACTED]** (without taking into account any **[REDACTED]** which may be allotted and issued upon the exercise of the **[REDACTED]** or **[REDACTED]**, **[REDACTED]** Shares will be allotted and issued, all fully paid or credited as fully paid, and **[REDACTED]** Shares will remain unissued.

(c) Other than Shares which may be issued pursuant to the **[REDACTED]**, or the exercise of the general mandate referred to in "A. Further information about our Company — 5. Written resolutions of our Shareholders passed on [●]" in this Appendix, our Directors have no present intention to issue any part of the authorised but unissued share capital of our Company, and without the prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed above, there has been no alteration in the share capital of our Company since its incorporation.

3. Reorganisation

The companies comprising our Group underwent a Reorganisation in preparation for the **[REDACTED]**, details of which are set out in the sub-section headed "History, Reorganisation and Corporate Structure — Reorganisation" in this document. Following the Reorganisation, our Company became the holding company of our Group.

Diagrams showing our Group's structure after the Reorganisation and immediately upon **[REDACTED]** of the **[REDACTED]** (without taking into account any **[REDACTED]** which may be allotted and issued upon the exercise of the **[REDACTED]** or **[REDACTED]** are set out in the sub-section headed "History, Reorganisation and Corporate Structure — Reorganisation" in this document.

4. Changes in share capital of subsidiaries

Our Company's subsidiaries are referred to in the Accountants' Report, the text of which is set out in Appendix I to this document. Save for the subsidiaries mentioned in Appendix I to this document, our Company has no other subsidiaries.

Save as mentioned in the section headed "History, Reorganisation and Corporate Structure" of this document, there was no material change in the share capital of the major subsidiaries of our Company during the two years immediately preceding the date of this document.

5. Written resolutions of our Shareholders passed on [●]

Pursuant to the written resolutions of our Shareholders passed on [●], among other things, subject to the conditions set forth in the section headed "Structure and Conditions of the **[REDACTED]**" in this document being fulfilled or waived (if applicable):

(a) our Company approved and adopted the Memorandum of Association and Articles of Association, the terms of which are summarised in Appendix III to this document, with effect upon the **[REDACTED]**;

(b) the **[REDACTED]** and the **[REDACTED]** were approved and our Directors or any committee of the Board were authorised to (i) allot and issue the **[REDACTED]** to rank *pari passu* with the then existing Shares in all respects; (ii) implement the **[REDACTED]** and the **[REDACTED]**; and (iii) do all things and execute all documents in connection with or incidental to the **[REDACTED]** and the **[REDACTED]** with such amendments or modifications (if any) as our Directors may consider necessary or appropriate;

(c) the rules of the **[REDACTED]**, the principal terms of which are set out in the sub-section headed "D. **[REDACTED]**" in this Appendix, were approved and adopted and our Directors or any committee of the Board were authorised, subject to the terms and conditions of the **[REDACTED]**, to implement the **[REDACTED]**, to **[REDACTED]**

thereunder and to allot, issue and deal with the **[REDACTED]** pursuant to the **[REDACTED]** and to take all such steps as may be necessary, desirable or expedient to implement the **[REDACTED]**;

(d) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with, otherwise than by way of rights issues or an issue of Shares upon the exercise of any subscription rights attached to any warrants of our Company or the exercise of the **[REDACTED]** or pursuant to **[REDACTED]** or under any other share scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of our Company and/or any of our subsidiaries of shares or rights to acquire shares or any scrip dividend schemes or similar arrangements providing for the allotment and issue of shares of our Company in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association or a specific authority granted by our Shareholders in general meeting, such number of Shares not exceeding (i) **[REDACTED]** of the aggregate number of our issued Shares (excluding treasury shares) as enlarged by the **[REDACTED]** (without taking into account any **[REDACTED]** which may be allotted and issued upon the exercise of the **[REDACTED]** or **[REDACTED]**); and (ii) the aggregate number of our issued Shares repurchased under the Repurchase Mandate as defined in paragraph (e) below. Such mandate shall remain in effect until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any other applicable laws of the Cayman Islands; or

(iii) the passing of an ordinary resolution by our Shareholders in general meeting revoking, varying or renewing such mandate;

(e) a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be **[REDACTED]** and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to **[REDACTED]** of the aggregate number of our issued Shares (excluding treasury shares) immediately following the completion of the **[REDACTED]** (without taking into account any **[REDACTED]** which may be allotted and issued upon the exercise of the **[REDACTED]** or **[REDACTED]**, such mandate shall remain in effect until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any other applicable laws of the Cayman Islands; or

(iii) the passing of an ordinary resolution by our Shareholders in general meeting revoking, varying or renewing such mandate; and

(f) the general unconditional mandate mentioned in paragraph (e) above was extended by the addition to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted, issued or dealt with (including the sale or transfer of treasury shares) by our Directors pursuant to such general mandate representing the aggregate number of Shares repurchased by our Company pursuant to the Repurchase Mandate referred to in paragraph (e) above provided that such extended amount shall not exceed **[REDACTED]** of the aggregate number of our issued Shares (excluding treasury shares) immediately following the **[REDACTED]** of the **[REDACTED]**, excluding any **[REDACTED]** which may be allotted and issued upon the exercise of the **[REDACTED]** or **[REDACTED]**.

6. Repurchase by our Company of its own securities

This paragraph includes information required by the Stock Exchange to be included in this document concerning the repurchase by our Company of its own securities.

(a) Provisions of the GEM Listing Rules

The GEM Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to the written resolutions passed by our Shareholders on [●], the Repurchase Mandate was granted to our Directors authorising them to exercise all powers of our Company to purchase the Shares as described above in the paragraph headed "A. Further information about our Company — 5. Written resolutions of our Shareholders passed on [●]" in this Appendix.

(b) Source of funds

Any repurchases must be financed out of funds legally available for such purpose in accordance with the Memorandum of Association and Articles of Association, the GEM Listing Rules and any applicable laws of the Cayman Islands. A listed company is prohibited from repurchasing its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the GEM Listing Rules from time to time.

Under the laws of the Cayman Islands, any repurchases by our Company may be made out of profits of our Company or the share premium account of our Company or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Cayman Companies Act, out of capital and, in case of any premium payable on the repurchase, out of profits of our Company or from sums standing to the credit of the share premium accounts of our Company, or if authorised by the Articles of Association and subject to the Cayman Companies Act, out of capital.

(c) Core connected persons

Under the GEM Listing Rules, a company shall not knowingly repurchase Shares from a core connected person (as defined in the GEM Listing Rules) and a core connected person shall not knowingly sell his/her/its Shares to our Company on GEM.

(d) Trading restrictions

The total number of Shares which our Company may **[REDACTED]** is the number of Shares representing up to a maximum of **[REDACTED]** of the aggregate number of Shares in issue (excluding treasury shares). Our Company may not issue or sell or transfer any treasury shares or announce a proposed issue of new Shares or a sale or transfer of any treasury shares for a period of 30 days immediately following a repurchase without the prior approval of **[REDACTED]**. In addition, our Company is prohibited from repurchasing its Shares **[REDACTED]** if the purchase price is higher by 5% or more than the average **[REDACTED]** for the five preceding **[REDACTED]** days on which its Shares were **[REDACTED]** on GEM. The GEM Listing Rules also prohibit our Company from repurchasing its securities if the repurchase would result in the number of **[REDACTED]** which are in the hands of the **[REDACTED]** falling below the relevant prescribed minimum percentage as required by the Stock Exchange. Our Company is required to procure that the broker appointed by us to effect a repurchase of Shares discloses to the Stock Exchange such information with respect to the repurchase made on behalf of our Company as the Stock Exchange may require.

(e) Status of repurchased Shares

The Shares repurchased by our Company shall be held as treasury shares or cancelled. Under the laws of the Cayman Islands, unless, prior to the repurchase our Directors resolve to hold the repurchased Shares as treasury shares, the repurchased Shares (whether on the Stock Exchange or otherwise) shall be treated as automatically cancelled and the relevant certificate must be cancelled and destroyed, and the amount of our Company's issued share capital shall be diminished by the nominal value of those Shares. However, the repurchase of Shares will not be taken as reducing the amount of the authorised share capital under the laws of the Cayman Islands. The **[REDACTED]** of all repurchased Shares which are held as treasury shares will be retained.

(f) Suspension of repurchase

Our Company may not make any repurchase of Shares at any time after inside information has come to our knowledge until the information has been made publicly available. In particular, during the period of 30 days immediately preceding the earlier of (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and (b) the deadline for publication of an announcement of our Company's results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules), until the date of the results announcement, our Company may not repurchase Shares **[REDACTED]** unless there are exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of Shares **[REDACTED]** if our Company has breached the GEM Listing Rules.

(g) Reporting requirements

Certain information relating to repurchases of Shares **[REDACTED]** or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, our Company's annual report is required to disclose details regarding repurchases of Shares made during the financial year, including a monthly breakdown of the number of Shares repurchased (each month whether on the Stock Exchange or otherwise), the purchase price per Share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate price paid. Our Directors' report is also required to contain reference to the repurchase made during the year and our Directors' reasons for making such repurchase.

(b) Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of **[REDACTED]** Shares in issue immediately after **[REDACTED]** (without taking into account any **[REDACTED]** which may be allotted and issued upon the exercise of the **[REDACTED]** or **[REDACTED]**, could accordingly result in up to **[REDACTED]** Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(c) Reasons for repurchases

Repurchases of Shares will only be made when our Directors believe that such a repurchase will benefit our Company and Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share.

(d) Funding of repurchases

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with our Memorandum of Association and Articles of Association, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands.

On the basis of the current financial position of our Group as disclosed in this document and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared with the position disclosed in this document. Our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Group or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

(e) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, our Memorandum and Articles, the Cayman Companies Act and the applicable laws of the Cayman Islands.

No core connected person of our Company has notified our Company that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so, in the event that the Repurchase Mandate is exercised.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of our Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as the aforesaid, our Directors are not aware of any consequence which would arise under the Takeovers Code due to any repurchase made pursuant to the Repurchase Mandate immediately after the **[REDACTED]**.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below **[REDACTED]** of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum **[REDACTED]** shareholding under the GEM Listing Rules).

B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business of our Group) have been entered into by members of our Group within the two years immediately preceding the date of this document and are or may be material:

(a) the Deed of Non-Competition;

(b) the Deed of Indemnity;

(c) the **[REDACTED]**;

(d) an investment agreement dated 18 May 2026 entered into between Riseship Construction and **[REDACTED]** in relation to the **[REDACTED]** of **[REDACTED]** shares of Riseship Construction by **[REDACTED]** as a **[REDACTED]** for a cash consideration of HK$**[REDACTED]**;

(e) an investment agreement dated 20 May 2026 entered into between Riseship Construction and **[REDACTED]** in relation to the **[REDACTED]** of **[REDACTED]** shares of Riseship Construction by **[REDACTED]** as a **[REDACTED]** for a cash consideration of HK$**[REDACTED]**;

(f) an investment agreement dated 20 May 2026 entered into between Riseship Construction and **[REDACTED]** in relation to the **[REDACTED]** of **[REDACTED]** shares of Riseship Construction by **[REDACTED]** as a **[REDACTED]** for a cash consideration of HK$**[REDACTED]**;

(g) an investment agreement dated 20 May 2026 entered into between Riseship Construction and **[REDACTED]** in relation to the **[REDACTED]** of **[REDACTED]** shares of Riseship Construction by **[REDACTED]** as a **[REDACTED]** for a cash consideration of **[REDACTED]**;

(h) the instrument of transfer and bought and sold notes dated 19 August 2026 entered into between HonTide as transferor and the Company as transferee in respect of the transfer of **[REDACTED]** ordinary shares of Cheuk Power Holding Limited by HonTide to the Company in consideration of our Company allotting and issuing to HonTide **[REDACTED]** new Shares, credited as fully paid;

(i) the instrument of transfer and bought and sold notes dated 19 August 2026 entered into between Legacy Capital as transferor and the Company as transferee in respect of the transfer of **[REDACTED]** shares of Cheuk Power Holding Limited by Legacy Capital to the Company in consideration of our Company allotting and issuing to Legacy Capital **[REDACTED]** new Shares, credited as fully paid;

(j) the instrument of transfer and bought and sold notes dated 19 August 2026 entered into between **[REDACTED]** as transferor and the Company as transferee in respect of the transfer of **[REDACTED]** shares of Cheuk Power Holding Limited by **[REDACTED]** to the Company in consideration of our Company allotting and issuing to **[REDACTED]** new Shares, credited as fully paid;

(k) the instrument of transfer and bought and sold notes dated 19 August 2026 entered into between **[REDACTED]** as transferor and the Company as transferee in respect of the transfer of **[REDACTED]** shares of Cheuk Power Holding Limited by **[REDACTED]** to the Company in consideration of our Company allotting and issuing to **[REDACTED] [REDACTED]** new Shares, credited as fully paid;

(l) the instrument of transfer and bought and sold notes dated 19 August 2026 entered into between **[REDACTED]** as transferor and the Company as transferee in respect of the transfer of **[REDACTED]** shares of Cheuk Power Holding Limited by **[REDACTED]** to the Company in consideration of our Company allotting and issuing to **[REDACTED]** new Shares, credited as fully paid; and

(m) the instrument of transfer and bought and sold notes dated 19 August 2026 entered into between **[REDACTED]** as transferor and the Company as transferee in respect of the transfer of **[REDACTED]** shares of Cheuk Power Holding Limited by **[REDACTED]** to the Company in consideration of our Company allotting and issuing to **[REDACTED] [REDACTED]** new Shares, credited as fully paid.

2. Intellectual property rights of our Group

(a) Trade mark

As at the Latest Practicable Date, our Group has applied for the registration of the following trade mark which we consider to be or may be material to our business:

	Trademark	Applicant	Place of application	Classes	Application number	Application filing date
1.		Riseship Construction	Hong Kong	6, 37, 39, 40	307363684	3 August 2026



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(b) Domain name

As at the Latest Practicable Date, our Group has registered the following domain name which we consider to be material to our business:

Domain Name	Registrant/Owner	Registration Date	Expiry Date
riseship.com.hk	Riseship Construction	11 January 2021	11 January 2031

Save as disclosed herein, as at the Latest Practicable Date, there were no other trade or service marks, patents, copyrights, other intellectual property rights which we consider to be or may be material to the business of our Group.

C. FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

1. Directors

(a) Disclosure of the interests of Directors and chief executive

So far as our Directors are aware, immediately following completion of the **[REDACTED]** (without taking into account any **[REDACTED]** which may be allotted and issued upon the exercise of the **[REDACTED]** or **[REDACTED]**), the interests and short positions of our Directors and chief executive(s) of our Company in the Shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have taken under such provisions), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to of the GEM Listing Rules, will be as follows:

Long position in the Shares

Name of Director/ chief executive	**Capacity/Nature of interest**	**Number of Shares immediately following the [REDACTED]**	**Approximate percentage of shareholding in our Company immediately following the [REDACTED]**[*(Note 1)*]
Mr. Lo Cheuk Pui	Interest in controlled corporation, concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a)[*(Notes 2 and 3)*]	**[REDACTED]**	**[REDACTED]**
Mr. Lo Siu Kai	Interest in controlled corporation, concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a)[*(Notes 3 and 4)*]	**[REDACTED]**	**[REDACTED]**

Notes:

1. Assuming the **[REDACTED]** is not exercised.

2. Immediately following the **[REDACTED]**, Legacy Capital will be the beneficial owner of **[REDACTED]** Shares. As at the Latest Practicable Date, the entire issued share capital of Legacy Capital is legally and beneficially owned by Mr. Lo Cheuk Pui, so that Mr. Lo Cheuk Pui is deemed to be interested in the Shares in which Legacy Capital is interested in by virtue of Part XV of the SFO.

3. On 24 August 2026, Mr. Lo Cheuk Pui, Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong entered into the Acting in Concert Confirmation to acknowledge, agree and confirm, among other things, that they were and had been parties acting in concert in respect of each of the members of our Group since the date on which they first became the registered owners of the shares of any member of our Group and would continue to be parties acting in concert until the Acting in Concert Confirmation was terminated or revoked in accordance with its terms. Details of the Acting in Concert Confirmation are set out in the section headed "Relationship with our Controlling Shareholders — Acting in Concert Confirmation" of this document. Accordingly, by virtue of Part XV of the SFO and pursuant to the Acting in Concert Confirmation, HonTide (being collectively owned by Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong), Legacy Capital (being wholly owned by Mr. Lo Cheuk Pui), Mr. Lo Cheuk Pui, Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong, being our Controlling Shareholders, are all deemed to be interested in the total number of Shares held by HonTide and Legacy Capital.

4. Immediately following the **[REDACTED]**, HonTide will be the beneficial owner of **[REDACTED]** Shares. As at the Latest Practicable Date, the issued share capital of HonTide is legally and beneficially owned as to approximately **[REDACTED]**, **[REDACTED]**, **[REDACTED]** and **[REDACTED]** by Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong, respectively. Pursuant to the Acting in Concert Confirmation and Part XV of the SFO, each of Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong is deemed to be interested in the Shares in which HonTide is interested.

(b) Particulars of service contracts

Executive Directors

Each of our executive Directors has entered into a service contract with our Company for an initial fixed term of three years commencing from the **[REDACTED]** which shall be renewable automatically for successive terms of three years each commencing from the day next after the expiry of the then current term of appointment, subject to re- election by our Shareholders in the next annual general meeting of our Company and rotation, removal, vacation or termination as set out in the Articles of Association and/or the GEM Listing Rules, or the termination of such service contract in accordance with its terms. Commencing from the **[REDACTED]**, each of our executive Directors is entitled to an annual director's fee as set out below, subject to review by the remuneration committee of our Board from time to time:

Name of executive Director	**Amount** *(HK$)*
Mr. Lo Cheuk Pui	1,200,000
Mr. Lo Siu Kai	600,000

Each of our executive Directors may also be entitled to, if so recommended by the remuneration committee and approved by our Board at its absolute discretion, a discretionary bonus or other non-cash benefits, the amount of which shall be determined with reference to, among other things, the operating results of our Group and the performance of the executive Director, provided that the relevant executive Director shall abstain from voting and not be counted in the quorum in respect of any resolution of our Board approving the amount of remuneration, discretionary bonus and any other benefits payable to him.

Non-executive Director

Our non-executive Director has entered into a service contract with our Company for an initial fixed term of three years commencing from the **[REDACTED]** which shall be renewable automatically for successive terms of three years each commencing from the day next after the expiry of the then current term of appointment, subject to re-election by our Shareholders in the next annual general meeting of our Company and rotation, removal, vacation or termination as set out in the Articles of Association and/or the GEM Listing Rules, or the termination of such service contract in accordance with its terms. Commencing from the **[REDACTED]**, our non-executive Director is entitled to an annual director's fee as set out below, subject to review by the remuneration committee of our Board from time to time:

Name of non-executive Director	**Amount** *(HK$)*
Mr. Chan Ming Cheung Ivan	180,000

Our non-executive Director may also be entitled to, if so recommended by the remuneration committee and approved by our Board at its absolute discretion, a discretionary bonus or other non-cash benefits, the amount of which shall be determined with reference to, among other things, the operating results of our Group and the performance of the non-executive Director, provided that the non-executive Director shall abstain from voting and not be counted in the quorum in respect of any resolution of our Board approving the amount of remuneration, discretionary bonus and any other benefits payable to him.

Independent non-executive Directors

Each of our independent non-executive Directors has entered into a letter of appointment with our Company for a fixed term of three years commencing from the **[REDACTED]**, subject to re-election by our Shareholders in the next annual general meeting of our Company and rotation, removal, vacation or termination as set out in the Articles of Association and/or the GEM Listing Rules, or the termination of such letter of appointment in accordance with its terms. Commencing from the **[REDACTED]**,

each of our independent non-executive Directors will be entitled to an annual director's fee as set out below, subject to review by the remuneration committee of our Board from time to time:

	Amount *(HK$)*
Mr. Ng Kwok Sing	240,000
Mr. Yue Ming Wai Bonaventure	144,000
Ms. Wong Man Ming Melinda	240,000

During the Track Record Period, no emolument was paid by our Group to any of our Directors or past directors or the five highest paid individuals (including Directors and employees) as an inducement to join or upon joining our Group or as compensation for loss of office. Further, none of our Directors waived any emoluments during the same periods.

The appointments of our executive Directors, non-executive Director and independent non-executive Directors are subject to the provisions of retirement by rotation of directors under the Articles of Association.

Save as disclosed above, none of our Directors has or is proposed to enter into a service contract or letter of appointment with our Company or any of our subsidiaries (other than contracts expiring or determinable by our Group within one year without the payment of compensation (other than statutory compensation)).

(c) Directors' remuneration

Our Company's policies concerning the remuneration of our Directors are as follows:

(a) the amount of remuneration payable to our Directors will be determined on a case-by-case basis depending on the experience, responsibility, workload and the time devoted to our Group by the relevant Director;

(b) non-cash benefits may be provided to our Directors under their remuneration package; and

(c) our executive Directors may be granted, at the discretion of our Board, share options of our Company, as part of the remuneration package.

For the aggregate amounts of remuneration (including fees, salaries, allowances and benefits in kind, discretionary bonus and/or contributions to defined contribution plan, as applicable) which were paid to by our Group to our Directors for FY2025, FY2026 and 3M2026, please refer to note 12 to the Accountants' Report set out in Appendix I to this document.

An aggregate sum of approximately HK$2.4 million is expected to be paid to our Directors (including the non-executive Director and independent non-executive Directors) as Directors' fees and other emoluments by our Group for the year ending 31 March 2027 under the arrangements in force at the date of this document.

2. Substantial shareholders

So far as our Directors are aware, immediately following the completion of the **[REDACTED]** and without taking into account any **[REDACTED]** which may be allotted and issued upon the exercise of the **[REDACTED]** or **[REDACTED]**, the following persons/entities (not being our Directors or chief executive) will have an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of our Company required to be kept under section 336 of the SFO, or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group:

Long position in the Shares

Name	Capacity/ nature of interest	Immediately before [REDACTED] of the [REDACTED](Note 1)		Immediately after [REDACTED] of the [REDACTED](Note 2)	
		Number of Shares held	Approximate percentage of shareholding in our Company	Number of Shares held	Approximate percentage of shareholding in our Company
HonTide(Note 3)	Beneficial owner, concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a) of the SFO	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Legacy Capital (Note 3)	Beneficial owner, concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a) of the SFO	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Name	Capacity/ nature of interest	Immediately before [REDACTED] of the [REDACTED](Note 1)		Immediately after [REDACTED] of the [REDACTED](Note 2)	
		Number of Shares held	Approximate percentage of shareholding in our Company	Number of Shares held	Approximate percentage of shareholding in our Company
Mr. Lo Cheuk Pui *(Notes 3 and 5)*	Interest in controlled corporation, concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a) of the SFO	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Lo Kam Kenny *(Notes 3, 4 and 6)*	Interest in controlled corporation, concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a) of the SFO, interest of spouse	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ms. Mak Wai Chun *(Notes 3, 4 and 6)*	Interest in controlled corporation, concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a) of the SFO, interest of spouse	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Lo Siu Kai *(Notes 3 and 4)*	Interest in controlled corporation, concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a) of the SFO	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Name	Capacity/ nature of interest	Immediately before [REDACTED] of the [REDACTED]*(Note 1)*		Immediately after [REDACTED] of the [REDACTED]*(Note 2)*	
		Number of Shares held	Approximate percentage of shareholding in our Company	Number of Shares held	Approximate percentage of shareholding in our Company
Mr. Lo Siu Tong *(Notes 3 and 4)*	Interest in controlled corporation, concert party to an agreement to acquire interest in voting shares of our Company as described in section 317(1)(a) of the SFO	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ms. Zhou LinXia *(Note 7)*	Interest of spouse	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ms. Ho Pui Sze *(Note 8)*	Interest of spouse	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ms. Wu Ying Ki *(Note 9)*	Interest of spouse	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

(1) The Company was incorporated subsequent to the Latest Practicable Date on 19 August 2026.

(2) Assuming the **[REDACTED]** is not exercised.

(3) On 24 August 2026, Mr. Lo Cheuk Pui, Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong entered into the Acting in Concert Confirmation to acknowledge, agree and confirm, among other things, that they were and had been parties acting in concert in respect of each of the members of our Group since the date on which they became the registered owners of the shares of any the member of our Group and would continue to be parties acting in concert until the Acting in Concert Confirmation was terminated or revoked in accordance with its terms. Details of the Acting in Concert Confirmation are set out in the section headed "Relationship with our Controlling Shareholders — Acting in Concert Confirmation" of this document. Accordingly, by virtue of Part XV of the SFO and pursuant to the Acting in Concert Confirmation, HonTide (being collectively owned by Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong), Legacy Capital (being wholly owned by Mr. Lo Cheuk Pui), Mr. Lo Cheuk Pui, Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong, being our Controlling Shareholders, are all deemed to be interested in the total number of Shares held by HonTide and Legacy Capital.

(4) As at the Latest Practicable Date, the issued share capital of HonTide is legally and beneficially owned as to 42.4%, 3.6%, 36.0% and 18.0% by Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong, respectively. Pursuant to the Acting in Concert Confirmation and Part XV of the SFO, each of Mr. Lo Kam Kenny, Ms. Mak Wai Chun, Mr. Lo Siu Kai and Mr. Lo Siu Tong is deemed to be interested in the Shares in which HonTide is interested.

(5) As at the Latest Practicable Date, the entire issued share capital of Legacy Capital is legally and beneficially owned by Mr. Lo Cheuk Pui. Mr. Lo Cheuk Pui is deemed to be interested in the Shares in which Legacy Capital is interested by virtue of Part XV of the SFO.

(6) Ms. Mak Wai Chun is the spouse of Mr. Lo Kam Kenny. By virtue of Part XV of the SFO, (i) Ms. Mak Wai Chun is deemed to be interested in the Shares in which Mr. Lo Kam Kenny is interested or deemed to be interested; and (ii) Mr. Lo Kam Kenny is deemed to be interested in the Shares in which Ms. Mak Wai Chun is interested or deemed to be interested.

(7) Ms. Zhou LinXia is the spouse of Mr. Lo Siu Tong and is deemed to be interested in the Shares in which Mr. Lo Siu Tong is interested or deemed to be interested by virtue of Part XV of the SFO.

(8) Ms. Ho Pui Sze is the spouse of Mr. Lo Siu Kai and is deemed to be interested in the Shares in which Mr. Lo Siu Kai is interested or deemed to be interested by virtue of Part XV of the SFO.

(9) Ms. Wu Ying Ki is the spouse of Mr. Lo Cheuk Pui and is deemed to be interested in the Shares in which Mr. Lo Cheuk Pui is interested or deemed to be interested by virtue of Part XV of the SFO.

3. Related party transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this document as mentioned in note 29 of the Accountants' Report set out in Appendix I to this document.

4. Disclaimers

Save as disclosed in this Appendix and the sections headed "Substantial Shareholders" and "Relationship with our Controlling Shareholders" of this document:

(a) our Directors are not aware of any person who immediately following the **[REDACTED]** of the **[REDACTED]** (without taking account of any **[REDACTED]** which may be taken up or acquired under the **[REDACTED]** or any **[REDACTED]** which may be allotted and issued upon the **[REDACTED]**) will have an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, either directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of our Company or any other members of our Group;

(b) none of our Directors and chief executive of our Company has for the purposes of Divisions 7 and 8 of Part XV of the SFO or the GEM Listing Rules, nor is any of them taken to or deemed to have under Divisions 7 and 8 of Part XV of the SFO, an interest or short position in the shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of the SFO) or any interests which will have to be entered in the register to be kept by our Company pursuant to section 352 of the SFO or which will be required to be notified to our Company and the Stock Exchange pursuant to Chapter 5 of the GEM Listing Rules once the Shares are **[REDACTED]** on the Stock Exchange;

(c) none of our Directors nor the experts named in "E. Other information — 6. Qualifications of experts" in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group nor will any Director apply for the **[REDACTED]** either in his/her name or in the name of a nominee;

(d) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group;

(e) none of the experts named in "E. Other information — 6. Qualifications of experts" in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and

(f) none of our Directors, their close associate or any shareholders of our Company (which to the knowledge of our Directors owns more than 5% of our Company's issued capital) has any interest in our Group's five largest suppliers and five largest customers in each of FY2025, FY2026 and 3M2026.

D. [REDACTED]

1. Summary of terms

The following is a summary of the principal terms of the **[REDACTED]** conditionally approved by all Shareholders on [●].

(i) Purpose of the [REDACTED]

The purpose of the **[REDACTED]** is to motivate Eligible Participants (as set out in paragraph (ii) below) to optimise their future contributions to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with Eligible Participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group, and additionally in the case of Employee Participants (as set out in paragraph (ii) below) and Related Entity Participants (as set out in paragraph (ii) below), to enable our Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

(ii) Who may join

Subject to the provisions in the **[REDACTED]**, the Board shall be entitled at any time within the period of ten (10) years after the date of adoption of the **[REDACTED]** to make an **[REDACTED]** to any of the following classes of persons ("**Eligible Participant(s)**")

(a) any director(s) (including executive, non-executive and independent non-executive directors) and employee(s) (whether full-time or part-time) of our Group (including persons who are granted Shares or the options under the **[REDACTED]** as inducement to enter into employment contracts with our Company or its subsidiaries) ("**Employee Participant(s)**");

(b) any director and employee of the holding companies, fellow subsidiaries or associated companies of our Company ("**Related Entity Participant(s)**"); or

(c) any person who provides services to our Company on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of our Company, including but not limited to person(s) who work for the Company as independent contractors (including subcontractors, advisers, consultants, distributors, contractors, suppliers, agents and service providers of any member of our Company) where the continuity and frequency of their services are akin to those of employees, but excluding (i) **[REDACTED]** agents or financial advisers providing advisory services for fundraising, mergers or acquisitions; and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity ("**Service Provider(s)**").

The Board may consider various factors to determine the basis of eligibility of the potential Eligible Participant, including but not limited to the performance, length of engagement and contribution to our Group.

(iii) Maximum number of Shares

(a) The maximum number of **[REDACTED]** which may be issued (and, together with treasury shares which may be sold or transferred, as applicable) upon exercise of all options to be granted under the **[REDACTED]** and any other schemes of our Company shall not in aggregate exceed 10% of the Shares in issue (excluding treasury shares) as at the **[REDACTED]** (the "**Scheme Mandate Limit**") (inclusive of Shares representing 1% of the total number of Shares in issue (excluding treasury shares), being the maximum number of options which may be granted to Service Providers under the **[REDACTED]** (the "**Service Provider Sublimit**")); provided that our Company may at any time as the Board may think fit seek approval from our Shareholders to refresh the **[REDACTED]** Scheme Mandate Limit (inclusive of the Service Provider Sublimit). Options previously granted under the **[REDACTED]** or any other schemes of our Company lapsed in accordance with the terms of the **[REDACTED]** or any other schemes of our

Company will not be counted for the purpose of calculating the **[REDACTED]** Scheme Mandate Limit and/or the Service Provider Sublimit (as the case may be).

(b) Our Company may seek approval of our Shareholders in general meeting to refresh the **[REDACTED]** Scheme Mandate Limit (inclusive of the Service Provider Sublimit) such that the maximum number of Shares which may be issued (and, together with treasury shares which may be sold or transferred, as applicable) upon exercise of all options to be granted under the **[REDACTED]** (inclusive of the Service Provider Sublimit) and any other schemes of our Company (as adopted from time to time), shall not exceed 10% of the Shares in issue (excluding treasury shares) as at the date of the approval by our Shareholders in general meeting where the **[REDACTED]** Scheme Mandate Limit (inclusive of the Service Provider Sublimit) is refreshed (the "**Renewal Limit**"), provided that options previously granted under the **[REDACTED]** or any other share option schemes or share award schemes of our Company (including options outstanding, cancelled, lapsed in accordance with the terms of the **[REDACTED]** or any other schemes of our Company or exercised options) will not be counted for the purpose of calculating the Renewal Limit.

For the purpose of seeking the approval of our Shareholders for the Renewal Limit, a circular containing the information and the disclaimer as required under the GEM Listing Rules must be sent to our Shareholders.

In the event that our Company seeks approval of our Shareholders in general meeting to renew the Scheme Mandate Limit (inclusive of the Service Provider Sublimit) within 3-year period after the adoption date of the **[REDACTED]** (or the date of Shareholders' approval for the last refreshment), any Controlling Shareholders (or Directors (excluding independent non-executive Directors) and the chief executive of our Company if there is no Controlling Shareholder) and their associates must abstain from voting in favour of the relevant resolution at the general meeting and the relevant resolution shall be approved in accordance with the GEM Listing Rules.

(c) Our Company may seek separate approval of our Shareholders in general meeting for granting options beyond the Scheme Mandate Limit provided that the proposed grantee(s) of such option(s) must be Eligible Participant(s) specifically identified by our Company before such approval is sought and for whom specific approval is obtained. For the purpose of seeking the approval of our Shareholders, our Company must send a circular to our Shareholders containing the name of the specified Eligible Participant(s) who may be granted such options, the number and terms of the options to be granted to each specified Eligible Participant, the purpose of granting such options to the specified Eligible Participants with an explanation as to how the terms of options serve such purpose, the information and the disclaimer as required under the GEM Listing Rules and such further information as may be required from the Stock Exchange from time to time. In

respect of any options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the exercise price of such options.

(iv) Maximum entitlement of each Eligible Participant

No option shall be granted to any Eligible Participant if any further grant of options would result in the **[REDACTED]** issued and to be issued upon **[REDACTED]** and to be granted to such person (including exercised, cancelled and outstanding options but excluding any options lapsed in accordance with the **[REDACTED]**) in the 12-month period up to and including the date of grant of the options exceeding 1% of the Shares in issue (excluding treasury shares), unless:

(a) such further grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 23 of the GEM Listing Rules, by separate approval of our Shareholders in general meeting at which the Eligible Participant and his/her/its close associates (or associates of the Eligible Participant is a connected person) shall abstain from voting in favour of the resolution;

(b) a circular regarding the further grant has been despatched to our Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 23 of the GEM Listing Rules (including the identity of the Eligible Participant, the number and terms of the options to be granted and options previously granted to such Eligible Participant in the 12-month period, the purpose of granting the options and an explanation as to how the terms of the options serve such purpose); and

(c) the number and terms (including the exercise price) of such option are fixed before the general meeting of our Company at which the same are approved.

(v) Grant of options to connected persons

(a) The grant of options to a Director, chief executive or Substantial Shareholder of our Company or any of his/her/its respective associates (including discretionary trust in which any connected persons are beneficiary) requires the approval of all our independent non-executive Directors (excluding any independent non-executive Director who is a prospective grantee of the option) and shall comply with the relevant provisions of Chapter 23 of the GEM Listing Rules.

(b) Where an option is to be granted to a Substantial Shareholder or an independent non-executive Director (or any of his/her/its respective associates), and such grant will result in the **[REDACTED]** issued and to be issued in respect of all options granted pursuant to the **[REDACTED]** and any other share option schemes or share award schemes of our Company (including exercised, cancelled and outstanding options but excluding any options lapsed in accordance with the

[REDACTED]) to such Eligible Participant in the 12-month period up to and including the date of such grant exceeding 0.1% of the Shares in issue (excluding treasury shares) at the relevant time of grant, such grant shall not be valid unless:

a. a circular containing the details of the grant has been despatched to our Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 23 of the GEM Listing Rules, including, in particular, (a) details of the number and terms of the options to be granted to such Eligible Participant, which must be fixed before the Shareholders' meeting and the date of the Board meeting for proposing such further grant is to be taken as the date of grant for the purposes of calculating the exercise price; (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the prospective grantee of the option) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of our Company and our Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; (c) information required under Rule 23.02(2) of the GEM Listing Rules; and (d) information required under Rule 2.28 the GEM Listing Rules; and

b. the grant has been approved by our Shareholders in accordance with the GEM Listing Rules in general meeting (taken on a poll) at which such Eligible Participant and his/her/its associates and all core connected persons of our Company shall abstain from voting in favour of the grant (unless such person's intention to vote against the proposed grant of option has been stated in the relevant circular).

(vi) Time of acceptance and exercise of an option

An offer of grant of an option may be accepted by an Eligible Participant within five Business Days inclusive of the offer date, by which the Eligible Participant must accept the offer or be deemed to have declined it, provided that such date shall not be more than ten years after the date of adoption of the **[REDACTED]**. The vesting period for an option shall normally not be less than 12 months, except when such option is granted to the Employee Participant(s) at the discretion of the Board (or the remuneration committee of our Company if the grantee is a Director and/or a senior manager of our Company) where (1) grants of the options is in compensatory nature to a new Employee Participant to replace his/her share options or awards forfeited when leaving his/her previous employer; (2) the Employee Participant's employment is terminated due to death, disability or any out-of-control event; (3) the options are granted in batches during a year for administrative and compliance reasons; (4) the options are granted with a total vesting and holding period of more than 12 months; (5) the options are granted based on performance-based vesting conditions instead of time-based vesting criteria.

A consideration of HK$**[REDACTED]** is payable on acceptance of the offer of grant of an option. Such consideration shall in no circumstances be refundable nor be deemed to be part of the exercise price. An option may be exercised in whole or in part (but if in part only,

in respect of a board lot or any integral multiple thereof) by the grantee at any time before the expiry of the period to be determined and notified by the Board to the grantee which in any event shall not be longer than ten years commencing on the date of the offer letter and expiring on the last day of such ten year period subject to the provisions for early termination as contained in the **[REDACTED]**.

(vii) Performance target

Unless otherwise determined by the Board and specified in the offer letter, there is no general performance target that has to be achieved before the exercise of any option.

(viii) Exercise price for Shares

The exercise price of a Share in respect of any particular option granted under the **[REDACTED]** shall be a price determined by the Board in its absolute discretion and notified to an Eligible Participant, and shall not be less than whichever is the highest of: (1) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date (which must be a Business Day) on which an option is offered to an Eligible Participant (the "**[REDACTED]** Date"), (2) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the **[REDACTED]** Date, and (3) the nominal value of a Share on the **[REDACTED]** Date.

For the purpose of calculating the exercise price, where an option is to be granted fewer than five Business Days after the **[REDACTED]** of the Shares on **[REDACTED]**, the **[REDACTED] [REDACTED]** shall be used as the closing price for any Business Day falling within the period before the **[REDACTED]**.

(ix) Ranking of Shares

The **[REDACTED]** to be allotted and issued upon the exercise of an option shall be subject to the Memorandum and the Articles of Association and the laws of the Cayman Islands in force from time to time and shall rank *pari passu* in all respects with the then existing fully-paid Shares in issue as at the date of allotment and issue (the "**Allotment Date**"), and will entitle the holders to participate in all **[REDACTED]** or other distributions paid or made on or after the Allotment Date other than any dividend or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date. **[REDACTED]** allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the grantee has been duly entered into the register of members of the Company as the holder thereof.

(x) Restrictions on the time of grant of options

No option shall be granted after a development of or a matter constituting inside information has come to our Company's knowledge until (and including) the trading day on which such inside information has been announced pursuant to the requirements of the GEM Listing Rules and the SFO. In particular, during the period commencing 30 days immediately preceding the earlier of:

(a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and

(b) the deadline for our Company to publish an announcement of the results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement, no option shall be granted. For the avoidance of doubt, no option may be granted during any period of delay in publishing a results announcement.

(xi) Period of the [REDACTED]

Subject to any prior termination by our Company in a general meeting or by the Board, the **[REDACTED]** shall be valid and effective for a period of ten years commencing on the date of adoption of the **[REDACTED]** (the "**Option Period**"), after which period no further option shall be granted but in all other respects of all options which remain exercisable at the end of such period, the provisions of the **[REDACTED]** shall remain in full force and effect.

(xii) Rights on death

Where the grantee of an outstanding option (being an individual) dies before exercising an option (or exercising it in full), he/she (or his/her legal representative(s)) may exercise the option up to the grantee's entitlement (to the extent which has become exercisable and not already exercised) within a period of 12 months following his/her death.

(xiii) Rights of cessation of employment by dismissal

Where the grantee of an outstanding option ceases to be an Employee Participant by reason of the termination of his/her employment on one or more of the grounds specified in paragraph (xxii)(d) below, the option (to the extent not already exercised) shall lapse on the date of cessation of his/her employment with our Company and in the event the grantee has exercised the option in whole or in part, but Shares have not been allotted to him/her, the grantee shall, unless our Board determines otherwise, be deemed not to have so exercised such option and our Company shall refund to the grantee the **[REDACTED]** in respect of the purported exercise of such option without interest.

(xiv) Rights on cessation of employment for other reasons

Where the grantee of an outstanding option ceases to be an Employee Participant or Related Entity Participant for any reason other than (i) his/her death or (ii) the termination of his/her employment, on one or more of the grounds specified in paragraph (xxii)(d) below, the option granted to such grantee (to the extent not already exercised) shall lapse on the expiry of three months after the date of cessation of such employment.

(xv) Rights on general offer

In the event a general or partial offer (whether by way of takeovers offer or share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all our Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the grantee shall, notwithstanding any terms on which his/her options were granted, be entitled to exercise the option (to the extent not already lapsed or exercised) at any time within one month after the date on which the offer becomes or is declared unconditional.

(xvi) Rights on winding-up

In the event of a notice being given by our Company to our Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it despatches such notice to convene the general meeting, give notice thereof to all grantees and thereupon, the grantees may, by notice in writing to our Company (such notice to be received by our Company not later than two Business Days prior to the proposed general meeting of our Company) exercise the option (to the extent that it has become exercisable and has not already been lapsed or exercised) either to its full extent or to the extent specified in such notice, such notice to be accompanied by a payment or remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the grantee credited as fully paid.

(xvii) Rights on compromise or arrangement between our Company and our creditors

In the event of a compromise or arrangement between our Company and our Shareholders and/or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company, our Company shall give notice thereof to the grantees who have unexercised options on the same day as it dispatches notices to all Shareholders and/or creditors of our Company summoning the meeting to consider such a compromise or arrangement and thereupon each grantee (or his/her legal representatives or receiver) may exercise in whole or in part his/her option on such date not later than two Business Days prior to the date of the general meeting directed to be convened by the court for the purposes of considering such compromise or arrangement (the "**Suspension Date**"), by giving notice in writing to our Company accompanied by a remittance for the full amount of the subscription price in respect of which the notice is given whereupon our Company shall as soon as practicable and, in any event, no later than 12:00 noon (Hong Kong time) on the Business Day immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the grantee credited as fully paid. With effect from the Suspension Date, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. Our Board shall endeavour to procure that our Shares issued as a result of the exercise of options

hereunder shall for the purposes of such compromise or arrangement form part of the issued share capital of our Company on the effective date thereof and that such **[REDACTED]** shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court), the rights of grantees to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the **[REDACTED]**) as if such compromise or arrangement had not been proposed by our Company and no claim shall lie against our Company or any of our officers for any loss or damage sustained by any Grantee as a result of such proposal, unless any such loss or damage shall have been caused by the act involving fraud, gross negligence or wilful misconduct on the part of our Company or any of our officers.

(xviii) ***Reorganisation of capital structure***

In the event of any alteration in the capital structure of our Company while any option may become or remains exercisable, whether by way of **[REDACTED]** rights issue, **[REDACTED]**, consolidation, subdivision or reduction of the share capital of our Company, the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

(a) the number of **[REDACTED]** subject to outstanding options; and/or

(b) the **[REDACTED]** per **[REDACTED]** of each outstanding option.

Where the Board determines that adjustments are appropriate, the auditors or an independent financial adviser (as the case may be) shall certify in writing to the Board that any such adjustments are in their opinion fair and reasonable and in compliance with the GEM Listing Rules, the notes thereto and applicable rules and guidelines, provided that any such adjustments shall give a grantee the same proportion of the issued share capital of our Company, rounded to the nearest whole **[REDACTED]**, as (but in any event shall not be greater than) that to which he/she/it was previously entitled and the subscription price payable by a grantee on the full exercise of any option shall remain as nearly as possible the same (but shall not be greater than, except upon any consolidation of the Shares pursuant to this paragraph) as it was before such event, but no adjustment shall be made to the effect of which would be to enable a **[REDACTED]** to be issued at less than its nominal value.

For the avoidance of doubt only, the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring an adjustment.

(xix) Cancellation of options

Any cancellation of the options granted but not exercised may be effected on such terms as may be agreed with the relevant grantee, as our Board may in its absolute discretion sees fit and in manner that complies with all applicable legal requirements for such cancellation. Where our Company cancels the options and makes a new grant to the same grantee, such new grant may only be made under the **[REDACTED]** with available Scheme Mandate Limit

and Service Provider Sublimit or the limits approved by our Shareholders pursuant to paragraphs (iii)(b) and (c) above. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit).

*(xx) **Termination of the [REDACTED]***

Our Shareholders by resolution in general meeting or the Board may at any time terminate the operation of the **[REDACTED]** and in such event no further option will be offered but in all other respects of the options which remain exercisable upon termination of the **[REDACTED]**, the provisions of the **[REDACTED]** shall remain in full force and effect. Options granted prior to such termination and not then exercised or in respect of which **[REDACTED]** are not yet issued to the grantees shall continue to be valid and exercisable subject to and in accordance with the **[REDACTED]** and the GEM Listing Rules.

*(xxi) **Rights are personal to grantee***

An option shall be personal to the grantee and shall not be assignable nor transferable, and no grantee shall in any way sell, transfer, charge, mortgage, encumber, assign or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any option or purport to do so or enter into any agreement to do so, unless a waiver is granted by the Stock Exchange for any option to be transferred to a vehicle (such as a trust or a private company) for the benefit of the grantee and any family members of such grantee that would continue to meet the purpose of the **[REDACTED]** and comply with other requirements of the GEM Listing Rules. Where such waiver is granted, the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle shall be disclosed. Any breach of the foregoing shall entitle our Company to cancel any outstanding option or part thereof granted to such grantee without any compensation or incurring any liability on the part of our Company.

*(xxii) **Lapse of options***

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

(a) the expiry of the Option Period;

(b) the expiry of any of the periods upon the occurrence of the relevant event referred to in paragraphs (xii), (xiv), (xv), (xvi) or (xvii) above;

(c) subject to paragraph (xvi) above, the date of the commencement of the winding-up of our Company;

(d) in respect of a grantee who is an employee of our Company when an offer is made to him/her, the date on which the grantee ceases to be an employee of our Company by reason of a termination of his/her employment on any one or more of the grounds that he/she has been guilty of fraud, gross negligent, or wilful or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence involving his/her integrity or honesty or bringing our Company into disrepute or (if so determined by our Board) on any other ground on which an employer would be entitled to terminate his/her employment summarily pursuant to any applicable laws or the grantee's employment or service contract with our Company;

(e) in respect of a grantee other than an employee of our Company, the date on which our Board shall at its absolute discretion determine that:

1) the grantee or his/her/its associate has committed any breach of any contract entered into between the grantee or his/her/its associate on the one part and any member of our Company on the other part;

2) the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding up, liquidation or analogous proceedings or has made any arrangement or composition with his/her/its creditors generally;

3) the grantee could no longer make any contribution to the growth and development of any member of our Company by reason of the cessation of its relations with our Company or by any other reason whatsoever; or

4) the grantee has been convicted of any criminal offence involving his/her/its integrity or honesty or bringing our Company into disrepute; and

(f) the date on which our Board exercises our Company's right to cancel, revoke or terminate the option on the ground that the grantee commits a breach of paragraph (xxi) in respect of that or any other option.

(xxiii) ***Alterations to the [REDACTED]***

The **[REDACTED]** may be altered in any respect by a resolution of the Board except that the following shall not be carried out except with the prior sanction of an ordinary resolution of our Shareholders in general meeting (with grantees and their associates abstaining from voting):

(a) any material alteration to its terms and conditions; and

(b) any alteration to the provisions of the **[REDACTED]** in relation to the matters set out in Rule 23.03 of the GEM Listing Rules to the advantage of grantees or Eligible Participants.

Any change to the terms of granted options must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or our Shareholders (as the case may be) if the initial grant of the options was approved by the Board, the remuneration committee of our Company, the independent non-executive Directors and/or our Shareholders (as the case may be), except (1) where the amendment or alteration take effect automatically under the existing terms of the **[REDACTED]**; or (2) to the extent such amendment or alteration is required by the GEM Listing Rules or any guidelines issued by the Stock Exchange from time to time.

Any change to the authority of the Directors or the administrators of the **[REDACTED]** to alter the terms of the **[REDACTED]**, shall be approved by our Shareholders in general meeting.

Our Company must provide to all grantees all details relating to changes in the terms of the **[REDACTED]** during the life of the **[REDACTED]** immediately upon such changes taking effect.

(xxiv) ***Conditions***

The **[REDACTED]** is conditional on:

(a) the **[REDACTED]** of the **[REDACTED]** granting approval for the **[REDACTED]** of, and **[REDACTED]** in, the Shares in issue and to be **[REDACTED]** pursuant to the **[REDACTED]**, the **[REDACTED]** and the exercise of options that may be granted under the **[REDACTED]**;

(b) the passing of the necessary resolution to adopt the **[REDACTED]** by the Shareholders in general meeting or by way of written resolution; and

(c) the commencement of **[REDACTED]** in the Shares on the GEM of the Stock Exchange.

2. Present status of the [REDACTED]

[REDACTED] has been made to the Stock Exchange for the **[REDACTED]** of and **[REDACTED]** in the Shares which fall to be **[REDACTED]** pursuant to the exercise of options which may be granted under the **[REDACTED]**.

As at the date of this document, no option has been granted or agreed to be granted under the **[REDACTED]**.

E. OTHER INFORMATION

1. Tax and other indemnities

Each of our Controlling Shareholders (collectively, the "**Indemnifiers**") has entered into the Deed of Indemnity (being a material contract referred to in "B. Further information about the business of our Group — 1. Summary of material contracts — (b) the Deed of Indemnity" in this Appendix) with and in favour of our Company (for itself and as trustee for each of our present subsidiaries) to provide indemnities on a joint and several basis in respect of, among other matters:

(a) any tax (which includes estate duty) liabilities in whatever part of the world which might be payable by any member of our Group in respect of any income, profits or gains earned, accrued or received or deemed to have been earned, accrued or received, or of any transactions entered into, or the occurrence of any matters or things on or up to the date to the **[REDACTED]**, save for any taxation to the extent that:

  (i) specific provision, reserve or allowance has been made for such taxation. The estimated tax payable as at 31 March 2025, 31 March 2026 and 30 June 2026 are set out in Appendix I to this document;

  (ii) such taxation arises or is incurred as a result of a retrospective change in law or a retrospective increase in tax rates coming into force after the **[REDACTED]**; or

  (iii) such taxation arises in the ordinary course of business of our Group after the Track Record Period and up to and including the **[REDACTED]**.

(b) all penalties, claims, actions, demands, proceedings, litigations (without limitation to any legal costs), judgments, losses, liabilities, damages, costs, administrative or other charges, fees, expenses and fines of whatever nature which may be imposed on or suffered by or incurred by our Company and/or any other member of our Group as a result of directly or indirectly or in connection with any litigation, arbitration, claims (including counter-claims), complaints, demands and/or legal proceedings (whether of a civil or criminal nature) arising out of and in connection with any matters filed or instituted with respect to or against our Company and/or any other member of our Group on or before the **[REDACTED]** or in relation to any events occurred on or before the **[REDACTED]**;

(c) any depletion or reduction in value of its assets or any loss (including all legal costs and suspension of operation), cost, expenses, damages or other liabilities which any member of our Group may incur or suffer arising from or in connection with the implementation of the Reorganisation;

(d) any non-compliance or potential non-compliance with the applicable laws, rules or regulations by our Company and/or any other member of our Group on or before the **[REDACTED]**, except where provision, reserve or allowance has been made for such liabilities in the Accountants' Report set out in Appendix I to this document for the Track Record Period.

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of its subsidiaries in the Cayman Islands, the BVI and Hong Kong, being jurisdictions in which one or more of the companies comprising our Group were incorporated.

2. Litigation

Save as disclosed in the sub-section headed "Business — Legal proceedings and potential claims" in this document, as at the Latest Practicable Date, neither our Company nor any of our subsidiaries is engaged in any litigation or claims of material importance and no litigation or claims of material importance is known to our Directors to be pending or threatened by or against our Company or any of our subsidiaries, that would have a material adverse effect on our Group's results of operations or financial condition.

3. [REDACTED]

The **[REDACTED]** has made an **[REDACTED]** for and on behalf of our Company to the Stock Exchange for the **[REDACTED]** of, and **[REDACTED]** in, the Shares in issue and to be **[REDACTED]** as mentioned in this document, including the **[REDACTED]** and any Shares which may fall to be allotted and **[REDACTED]** pursuant to the **[REDACTED]** and the exercise of the **[REDACTED]** or any options that may be granted under the **[REDACTED]**.

The **[REDACTED]** satisfies the independence criteria applicable to sponsor as set out in Rule 6A.07 of the GEM Listing Rules. The **[REDACTED]** is entitled to the sponsor's fee in the amount of HK$**[REDACTED]**.

4. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company were approximately HK$60,870 and were incurred and paid by our Company.

5. Promoter

Our Company has no promoter for the purpose of the GEM Listing Rules.

Save as disclosed herein, within the two years immediately preceding the date of this document, no amount or benefit has been paid or given to any promoter in connection with the **[REDACTED]** or the related transactions described in this document.

6. Qualifications of experts

The qualifications of the experts who have given reports, letters or opinions (as the case may be) in this document are as follows:

Name	Qualifications
Patrons Capital Limited	A corporation licensed under the SFO and permitted to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Ascenda Cachet CPA Limited	Certified Public Accountants and Registered Public Interest Entity Auditors
Moore CPA Limited	Certified Public Accountants and Registered Public Interest Entity Auditors
Harney Westwood & Riegels	Legal advisers to our Company as to Cayman Islands laws
Frost & Sullivan Limited	Industry consultant
Tam Chun Kit	Barrister-at-law
We Pro-CPA Limited	Tax adviser

None of the experts named above has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of our Group.

7. Consents of experts

Each of the experts referred to above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports, letters, opinions or summaries thereof (as the case may be) and the references to its name included in this document in the form and context in which it respectively appears.

8. No material adverse change

Save as disclosed in the section headed "Financial Information — Recent development and material adverse change" in this document, our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Company or our subsidiaries since 30 June 2026 (being the date to which the latest audited combined financial statements of our Group were made up) and up to the Latest Practicable Date.

9. Taxation of holders of Shares

(a) Hong Kong

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty.

Profits from dealings in Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) Cayman Islands

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(c) Consultation with professional advisers

Intending holders of the Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. It is emphasised that none of our Company, our Directors or parties involved in the **[REDACTED]** accepts responsibility for any tax effect on, or liabilities of holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the Shares.

10. Miscellaneous

(a) Save as disclosed in this Appendix and the sections headed "History, Reorganisation and Corporate Structure and "**[REDACTED]**" of this document, within the two years preceding the date of this document:

(a) no share or loan capital of our Company or any of our subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;

(b) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

(c) no commission has been paid or payable (excluding commission payable to **[REDACTED]**) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares in our Company.

(b) No share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

(c) No founder, management or deferred shares of our Company or any of our subsidiaries has been issued or agreed to be issued.

(d) There has not been any interruption in the business of our Group which has had a material adverse effect on the financial position of our Group in the 24 months preceding the date of this document.

(e) None of the experts named in "E. Other information — 6. Qualifications of experts" in this Appendix:

(i) is interested beneficially or non-beneficially in any shares in any member of our Group; or

(ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of our Group.

(f) No company within our Group is presently **[REDACTED]** on any stock exchange or traded on any trading system and no part of the Shares or loan capital of our Company is **[REDACTED]** in on any other stock exchange. At present, our Company is not seeking or proposing to seek **[REDACTED]** of, or **[REDACTED]** in, any part of its Shares or loan capital on any other stock exchange.

(g) Our Company has no outstanding convertible debt securities.

(h) All necessary arrangements have been made to enable the Shares to be admitted into **[REDACTED]** for clearing and settlement.

(i) There are no arrangements under which future dividends are waived or agreed to be waived.

11. Binding effect

this document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penalty provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Bilingual document

The English language and the Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE [REDACTED] OF COMPANIES IN HONG KONG

The documents attached to a copy of this document and delivered to the **[REDACTED]** of Companies in Hong Kong for registration were:

(i) a copy of each of the material contracts referred to in the paragraph headed "Statutory and General Information — B. Further Information about the Business of our Group — 1. Summary of material contracts" in Appendix IV to this document; and

(ii) the written consents referred to in the paragraph headed "Statutory and General Information — E. Other Information — 7. Consents of experts" in Appendix IV to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the Stock Exchange's website at www.hkexnews.hk and our Company's website at [●] during a period of 14 days from the date of this document:

(a) the Memorandum and the Articles of Association;

(b) the Accountants' Report prepared by Moore CPA Limited and Ascenda Cachet CPA Limited, the text of which is set out in Appendix I to this document;

(c) the audited consolidated financial statements of our Group for FY2025, FY2026 and 3M2026;

(d) the report on the **[REDACTED]** financial information of our Group prepared by Moore CPA Limited and Ascenda Cachet CPA Limited, the text of which is set out in Appendix II to this document;

(e) the letter of advice prepared by Harney Westwood & Riegels summarising certain aspects of Cayman Islands company law referred to in Appendix III to this document;

(f) the Cayman Companies Act;

(g) the rules of the **[REDACTED]**;

(h) the material contracts referred to in the paragraph headed "Statutory and General Information — B. Further Information about the Business of our Group — 1. Summary of material contracts" in Appendix IV to this document;

(i) the written consents referred to in the paragraph headed "Statutory and General Information — E. Other information — 7. Consents of experts" in Appendix IV to this document;

(j) the service agreements and letters of appointment referred to in the paragraph headed "Statutory and General Information — C. Further Information about Directors, Management and Staff — 1. Directors — (b) Particulars of service contracts" in Appendix IV to this document;

(k) the industry report prepared by Frost & Sullivan Limited;

(l) the legal opinion as to certain aspects of Hong Kong law prepared by our Hong Kong legal advisers; and

(m) the legal opinion as to certain aspects of Hong Kong law prepared by Tam Chun Kit, barrister-at-law.