



GME Group Holdings Limited
駿傑集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8188)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED
(THE “STOCK EXCHANGE”)**

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 the 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This announcement, for which the directors (the “**Directors**”, each a “**Director**”) of GME Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

ANNUAL RESULTS

The board of Directors (the “**Board**”) of the Company hereby announces that the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”), together with the comparative audited figures for the year ended 31 December 2023, are as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

		2024	2023
	Notes	HK\$'000	HK\$'000
Revenue	5	815,181	549,554
Cost of services		(657,031)	(439,532)
Gross profit		158,150	110,022
Other income	6	1,642	1,310
Provision for impairment loss on trade receivables and contract assets, net		(8,440)	(8,744)
Provision for impairment loss on deposits and other receivables, net		(2,916)	–
Administrative expenses		(40,961)	(28,013)
Finance costs		(3,141)	(3,712)
Profit before income tax expense	7	104,334	70,863
Income tax expense	8	(18,547)	(9,388)
Profit and total comprehensive income for the year		85,787	61,475
Profit and total comprehensive income attributable to:			
Owners of the Company		86,171	61,479
Non-controlling interests		(384)	(4)
		85,787	61,475
Earnings per share			
– Basic (HK cents)	10	17.73	12.60
– Diluted (HK cents)	10	17.64	12.60

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	Notes	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		24,442	19,300
Goodwill		29	–
Other intangible assets		18,768	–
Deposits	11	572	436
		<u>43,811</u>	<u>19,736</u>
Current assets			
Contract assets		115,954	98,833
Trade and other receivables	11	127,382	146,661
Amount due from a minority shareholder of a subsidiary		–	400
Pledged bank deposits		6,000	3,000
Cash at banks and in hand		26,410	4,467
		<u>275,746</u>	<u>253,361</u>
Current liabilities			
Trade and other payables	12	55,182	53,141
Bank borrowings, secured		46,000	66,000
Amount due to a director		–	8,000
Promissory notes		3,925	–
Lease liabilities		3,214	2,957
Tax payable		25,969	7,642
		<u>134,290</u>	<u>137,740</u>
Net current assets		<u>141,456</u>	<u>115,621</u>
Total assets less current liabilities		<u>185,267</u>	<u>135,357</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*As at 31 December 2024*

		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Promissory notes		3,925	–
Lease liabilities		5,398	3,167
Deferred tax liabilities		4,436	1,119
		<u>13,759</u>	<u>4,286</u>
NET ASSETS		<u>171,508</u>	<u>131,071</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>13</i>	4,813	4,878
Reserves		166,695	125,809
		<u>171,508</u>	<u>130,687</u>
Non-controlling interests		<u>–</u>	<u>384</u>
TOTAL EQUITY		<u>171,508</u>	<u>131,071</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL

GME Group Holdings Limited was incorporated in the Cayman Islands on 18 January 2016, as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The registered office and principal place of business of the Company are located at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands and 41/F, United Asia Finance Centre, 333 Lockhart Road, Wan Chai, Hong Kong, respectively.

The Company's controlling shareholders are Mr. Chuang Wei Chu and Mr. Chuang Chun Ngok Boris, both of whom are also executive directors of the Company, and their family members entered into an acting in concert deed dated 21 March 2016 as controlling shareholders (the "**Controlling Shareholders**") of the Company. The Controlling Shareholders have agreed to consolidate their respective interests in the Company and to vote on any resolution to be passed at any shareholders' meeting of the Company in a unanimous manner. Mr. Chuang Chun Ngok Boris is therefore deemed to be interested in the shares of the Company (the "**Shares**", each a "**Share**") held by Mr. Chuang Wei Chu, Ms. To Yin Ping and Ms. Chuang Yau Ka respectively under the Securities and Futures Ordinance ("**SFO**"). Each of Mr. Chuang Chun Ngok Boris, Mr. Chuang Wei Chu, Ms. To Yin Ping and Ms. Chuang Yau Ka is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO. Mr. Chuang Chun Ngok Boris is the son of Mr. Chuang Wei Chu and Ms. To Yin Ping and the brother of Ms. Chuang Yau Ka.

The Company's shares were listed on GEM of the Stock Exchange on 22 February 2017.

The Company is an investment holding company and the Group is principally engaged in the provision of underground construction and engineering services.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("**HKFRSs**")

(a) Adoption of revised HKFRSs – effective 1 January 2024

The Hong Kong Institute of Certified Public Accountants ("**HKICPA**") has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HK Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs have no material impact on the Group's results and financial position for the current or prior period.

(b) New and revised HKFRSs that have been issued but are not yet effective

The following new and revised HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS Accounting Standards	Annual Improvement to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

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

² Effective for annual periods beginning on or after 1 January 2026.

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

⁴ Effective for annual periods beginning on or after a date to be determined.

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The adoption of HKFRS 19 is optional. HKFRS 19 specifies the disclosure requirements that an entity is permitted to apply to substitute the disclosure requirements in other HKFRS Accounting Standards. The Company's shares are listed and traded in the Stock Exchange. Therefore, it has public accountability according to HKFRS 19 and does not qualify for electing to apply the standard to prepare its financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing Securities on GEM of the Stock Exchange.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

(c) **Functional and presentation currency**

The consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated.

4. SEGMENT INFORMATION

(a) **Operating segments**

The Group was principally engaged in the provision of underground construction and engineering services in Hong Kong. Information reported to the chief operating decision maker (“**CODM**”) is further categorised into underground construction services and engineering services in Hong Kong, each of which is considered as a separate operating segment by the CODM, for the purpose of resources allocation and performance assessment, it 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.

(b) **Geographical information**

All of the Group’s revenue was derived from Hong Kong, based on the location of the customers, and all of its non-current assets were located in Hong Kong, based on the location of assets. Therefore, no geographical information is presented.

(c) **Information about major customers**

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

	2024 HK\$’000	2023 HK\$’000
Customer B	488,222	186,027
Customer M	114,920	189,767
Customer C	N/A	110,690

N/A: The relevant revenue for the year ended 31 December 2024 did not exceed 10% of the Group’s revenue.

5. REVENUE

The Group's revenue represents amount received and receivable from contract work performed and is recognised over time.

	2024 HK\$'000	2023 HK\$'000
Public tunnel projects	545,082	325,178
Public utilities construction services and other projects (<i>Note</i>)	250,171	220,781
Private projects	19,928	3,595
	<u>815,181</u>	<u>549,554</u>

Note: Public utilities construction services and other projects mainly comprise revenue from contracts for utilities construction services involving underground construction work.

The following table provides information about trade receivables and contract assets from contracts with customers.

	2024 HK\$'000	2023 HK\$'000
Trade receivables (<i>Note 11</i>)	117,182	138,897
Contract assets	115,954	98,833

As at 31 December 2024, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is approximately HK\$890,067,000 (2023: HK\$1,065,177,000). This amount represents revenue expected to be recognised in the future from partially-completed long-term construction contracts. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur in the next 1 to 2 years (2023: 1 to 2 years).

6. OTHER INCOME

	2024 HK\$'000	2023 HK\$'000
Bank interest income	174	20
Government grants (<i>Note</i>)	1,092	728
Sundry income	221	562
Gain on disposal of property, plant and equipment	155	–
	<u>1,642</u>	<u>1,310</u>

Note:

In 2024, the government grants of approximately HK\$1,092,000 (2023: HK\$728,000) were received by the Good Mind Engineering Limited (“GMEHK”), an indirectly wholly-owned subsidiary of the Company. The government grants were from the Construction Innovation and Technology Fund (“CITF”). The CITF is established to encourage wider adoption of innovative construction methods and new technologies in the construction, it was established by Development Bureau of the Government (“DEVB”) and the Construction Industry Council (“CIC”) is commissioned by DEVB to be the implementation partner. GMEHK purchased a comprehensive loader crane which met the CITF's criteria of “innovative technology” and therefore it was granted the fund by CIC as a subsidy for its adoption of innovative technology.

7. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is arrived after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Included in cost of services:		
– Construction materials and supplies	210,738	180,580
– Subcontracting costs	82,658	22,338
Auditor's remuneration		
– Audit services	776	710
– Other assurance services	260	–
(Gain)/loss on disposal of property, plant and equipment	(155)	75
(Reversal)/provision of impairment loss on trade receivables, net	(88)	149
Provision of impairment loss on contract assets, net	8,528	8,595
Provision of impairment loss on deposits and other receivables, net	2,916	–
Written off of amount due from a minority shareholder of a subsidiary	400	–
Depreciation charges:		
– Owned property, plant and equipment	8,249	7,828
– Right-of-use-assets included within		
– Leased properties	1,499	1,265
– Office equipment	14	15
– Plant and machinery	1,699	1,299
– Motor vehicles	428	305
Consultancy fees	5,098	3,249
Lease payment not included in the measurement of lease liabilities		
– Leased properties (included in cost of services and administrative expenses)	546	432
– Short-term leases of plant and machinery (included in cost of services)	50,203	29,952
Employee benefit expenses	<u>306,462</u>	<u>201,096</u>

8. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of comprehensive income represents:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax – Hong Kong profits tax	18,327	7,642
Deferred tax	<u>220</u>	<u>1,746</u>
Income tax expense	<u>18,547</u>	<u>9,388</u>

The provision of Hong Kong Profits Tax is calculated at a tax rate of 16.5% (2023: 16.5%).

According to the Inland Revenue (Amendment) Bill 2017 which was substantively enacted after passing its Third Reading in the Legislative Council on 28 March 2018, the two-tiered profits tax regime (the “**Regime**”) is first effective for the year of assessment 2018/19. Profits tax rate for the first HK\$2 million of assessable profits of the qualifying group entity is lowered to 8.25% with the excess assessable profits continue to be taxed at 16.5%. The profits of group entities not qualifying for the Regime will continue to be taxed at a flat rate of 16.5%. The Hong Kong profits tax for the years ended 31 December 2024 and 2023 are provided based on the Regime.

9. DIVIDEND

	2024 HK\$'000	2023 HK\$'000
Interim dividend declared and paid of HK\$4.00 cents (2023: Nil) per ordinary share	19,421	–
Declared final dividend paid in respect of prior year of HK\$5.00 cents (2023: Nil) per ordinary shares	24,390	–
	<u>43,811</u>	<u>–</u>

A final dividend for the year ended 31 December 2024 of HK\$4.00 cents (2023: HK\$5.00 cents) per ordinary share, total approximately HK\$19,226,000 based on 480,664,000 ordinary shares (2023: HK\$24,390,000 based on 487,808,000 ordinary shares) has been proposed by the Board and is subject to approval by the shareholders at the forthcoming annual general meeting. The final dividend has not been included as a liability in the consolidated financial statements.

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the Reporting Period and adjusted for the effect of ordinary shares repurchased.

Diluted earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares. The calculations of basic and diluted earnings per share are based on:

	2024 HK\$'000	2023 HK\$'000
Profit for the year attributable to owners of the Company for the purposes of calculating basic and diluted earnings per share	<u>86,171</u>	<u>61,479</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares during the year used in the basic earnings per share	486,017,333	487,808,000
Effect of dilutive potential ordinary shares – Share awards	<u>2,500,000</u>	<u>–</u>
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	<u>488,517,333</u>	<u>487,808,000</u>

11. TRADE AND OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Trade receivables (<i>Note</i>)	117,872	139,675
Less: Impairment loss	<u>(690)</u>	<u>(778)</u>
	<u>117,182</u>	<u>138,897</u>
Prepayments, deposits and other receivables	14,038	8,550
Less: Impairment loss	<u>(3,266)</u>	<u>(350)</u>
	<u>10,772</u>	<u>8,200</u>
Non-current – deposits	127,954	147,097
	<u>(572)</u>	<u>(436)</u>
Current	<u>127,382</u>	<u>146,661</u>

Note:

Trade receivables were mainly derived from the provision of underground construction and engineering services and are non-interest bearing. The Group does not hold any collateral or other credit enhancements over these balances. The credit period granted by the Group to its customers is generally 21 to 60 days for the years ended 31 December 2024 and 2023.

An ageing analysis of trade receivables as at the end of the Reporting Period, based on the invoice dates and net of loss allowance is as follows:

	2024 HK\$'000	2023 HK\$'000
Less than 1 month	116,880	88,167
1 to 3 months	–	50,671
More than 3 months but less than 1 year	302	59
	117,182	138,897

An ageing analysis of trade receivables as at the end of the Reporting Period, based on past due date and net of loss allowance is as follows:

	2024 HK\$'000	2023 HK\$'000
Not yet past due	116,880	138,556
Less than 1 month past due	–	282
1 to 3 months past due	302	59
	117,182	138,897

Trade receivables are related to a number of customers that have a good track record with the Group. Except for an allowance of approximately HK\$690,000 (2023: HK\$778,000) necessary in respect of these balances, there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024 HK\$'000	2023 HK\$'000
At beginning of year	778	629
Impairment loss	–	372
Reversal of impairment loss	(88)	(223)
At end of year	690	778

12. TRADE AND OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000
Trade payables (<i>Note</i>)	16,009	23,839
Other payables and accruals	39,173	29,302
	<u>55,182</u>	<u>53,141</u>

Note:

An ageing analysis of trade payables as at the end of the Reporting Period, based on the invoice dates, is as follows:

	2024 HK\$'000	2023 HK\$'000
Less than 1 month	6,345	9,304
1 to 3 months	5,758	10,203
More than 3 months but less than 1 year	3,424	4,055
More than 1 year	482	277
	<u>16,009</u>	<u>23,839</u>

The trade payables are non-interest bearing and generally have payment terms ranging from 0 to 30 days.

13. SHARE CAPITAL

	The Company Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
As at 1 January 2023, 31 December 2023 and 1 January 2024	487,808,000	4,878
Share repurchased and cancelled (<i>Note</i>)	<u>(6,464,000)</u>	<u>(65)</u>
As at 31 December 2024	<u>481,344,000</u>	<u>4,813</u>

Note:

- (a) During the year ended 31 December 2024, the Company repurchased 6,464,000 on the Stock Exchange of its own shares from the market and had been cancelled as at 31 December 2024. Particulars of the share repurchase and cancellation of shares during the year ended 31 December 2024 are as follows:

Month of share repurchase	Number of shares repurchased	Highest price paid per share HK\$	Lowest price paid per share HK\$	Aggregate price paid HK\$
June 2024	1,316,000	0.260	0.223	305,160
July 2024	976,000	0.345	0.325	327,200
September 2024	104,000	0.385	0.365	39,960
October 2024	1,480,000	0.375	0.350	533,300
November 2024	1,280,000	0.370	0.355	461,900
December 2024	1,308,000	0.375	0.350	467,900
Total	6,464,000			2,135,420

14. CAPITAL COMMITMENTS

	2024 HK\$'000	2023 HK\$'000
Commitments for the acquisition of:		
Property, plant and equipment	176	669

15. EVENT AFTER REPORTING PERIOD

After the end of the reporting period, 680,000 ordinary shares were repurchased from the Stock Exchange and had been cancelled. The total consideration (including transaction costs) of the share repurchase was approximately HK\$263,000.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an established subcontractor engaged in civil engineering works which operates solely in Hong Kong. GMEHK, an indirect wholly-owned subsidiary of the Company, is a Group 2 Registered Specialist Trade Contractor with various trade qualifications under the Construction Industry Council. The Group is principally engaged in the provision of underground construction services and mainly serves main contractors in public sector infrastructure projects. Public sector projects refer to the projects in which the main contractors are employed by the government of Hong Kong Special Administrative Region of the People's Republic of China (the “**Hong Kong Government**”), its statutory bodies or statutory corporations. The Group has also been involved in some private sector projects, which have covered all other types of engagements.

The Group provides underground construction services, in particular, tunnel construction services (including excavation, shotcreting, shutter design and fabrication, tunnel lining services, shafts, advanced and structural works) and utility construction (mainly the construction and refurbishment of underground public utility works such as road and drainage works) and others (mainly structural works related to tunnel construction and construction of service buildings and support structure for the public). The Group also provides programme design, costing and management for underground construction services. As a result, the Group works routinely with its key clients in pre-tenders for various underground construction projects.

Since 2014, the Group has been focusing on the development of a complete suite of tunnel construction services, which has laid a solid foundation for the Group's growth and a strong advantage in securing contracts. The Group is constantly evaluating opportunities within the underground construction industry and seeking profitable areas in which it can develop, broaden or commence operation. Other than tunnel works, the Group has also participated in earthworks, bridge works and construction of service buildings during the Reporting Period. The Group considers that diversification is necessary under the current market condition, and continues to explore opportunity in other fields of the construction industry. As at the date of this announcement, the Group had submitted certain number of tenders to main contractors, the results of which were still pending.

On 4 November 2024, Jade Phoenix Enterprises Limited (“**Jade Phoenix**”), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, acquired 14,650,000 shares of Best Build Construction Company Limited (“**Best Build**”), a company incorporated in Hong Kong with limited liability (“**Best Build Acquisition**”) and is principally engaged in the construction and provision of engineering services in Hong Kong.

Best Build holds a license issued by the Development Bureau of the Hong Kong Government for carrying out Roads and Drainage Works (Group B) (the “**Licence**”). This Licence is expected to be highly valuable in strengthening the Group’s operational development, thereby creating a business synergy effect that enhances the overall performance of the Group’s business.

The aggregate consideration payable by Jade Phoenix for the acquisition of 100% shares of Best Build was HK\$15,700,000, which comprised (a) a sum of HK\$7,850,000 paid in cash to the vendor on 4 November 2024; (b) 4% interest secured promissory note in the principal amount of HK\$3,925,000 (subject to adjustment) with the maturity date on 1 November 2025 issued by Jade Phoenix in favour of the vendor; and (c) 4% interest secured promissory note in the principal amount of HK\$3,925,000 (subject to adjustment) with the maturity date on 30 March 2026 or such other earlier date as the Jade Phoenix in its sole and absolute discretion may determine issued by Jade Phoenix in favour of the vendor. Please refer to the announcements of the Company dated 4 November 2024 and 25 November 2024 for further information.

On the day of completion of the Best Build Acquisition, Best Build had a bank balance of approximately HK\$7,000 and trade and other receivables of approximately HK\$1,904,000. Therefore, the fair value due to the vendor was approximately HK\$1,911,000. The fair value of the consideration of the Best Build Acquisition under HKFRS was approximately HK\$17,611,000.

During the year ended 31 December 2024, the Group had secured 19 public sector projects of approximately HK\$665,707,000 and two private sector projects of approximately HK\$497,000 with aggregate secured contract sums and confirmed variation orders (the “**Newly Awarded Contracts**”).

During the year ended 31 December 2024, the Group had been engaged in 51 public sector projects (2023: 39) and five private sector projects (2023: six), including the Newly Awarded Contracts. Please refer to the subsection headed “Financial Review” of this announcement below for the analysis on the Group’s revenue. The total backlog of the Newly Awarded Contracts and contracts carried over from 2024 to be recognised as revenue after the Reporting Period was approximately HK\$890,067,000.

To maintain consistent quality services for all customers, the Group has established a formal quality management system which is certified to be in compliance with the requirements of ISO 9001:2015. The Group has in-house quality assurance requirements specifying, amongst other things, specific work procedures for performing various types of works, responsibilities of personnel of different levels, and accident reporting. Compliance with these quality assurance requirements is mandatory for all workers of the Group.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is reliant on the availability of public sector civil engineering projects in Hong Kong which by their nature are procured by a limited number of main contractors. Due to the fact that the civil engineering projects are non-recurring in nature, there is no guarantee that the Group will be able to secure new business from past or existing customers on a recurring basis. Accordingly, the number and scale of projects, and the amount of revenue from the public sector projects may vary from period to period, which may make it difficult for the Group to forecast the volume of future businesses and the amount of revenue.

The Group operates solely in Hong Kong and derived all its income in Hong Kong during the Reporting Period. Accordingly, the Group's business, financial results and prospects are affected by policies of the Hong Kong Government, and the political environment, economic and legal development in Hong Kong. The budgeting and funding approval process on public infrastructure and construction projects may be lengthened and the expected timetable of projects may be delayed. The Hong Kong Government's policy and public spending patterns on the civil engineering construction industry may also affect the availability of construction projects in Hong Kong.

The Group's historical results may not be indicative of its future performance, which may vary from period to period in response to a variety of factors beyond the Group's control, including general economic conditions, regulations pertaining to the underground construction industry in Hong Kong and the ability to secure new business in the future. Besides, adverse weather conditions, natural disasters, potential wars, terrorist attacks, riots, epidemics, pandemics and other disasters which are beyond the Group's control may also affect the Group's performance.

OUTLOOK OF TUNNEL AND CONSTRUCTION INDUSTRY IN HONG KONG

It is expected that there will be a continuous demand for tunnel and underground construction services in Hong Kong, given that the construction works at Northern Metropolis, Mass Transit Railway (MTR) and Hong Kong International Airport and several cavern tunnels are gearing up.

The Hong Kong Government has announced the awards and commencement of a few infrastructure projects in Northern Metropolis during the Reporting Period. These cover (i) Kwu Tung North New Development Area, Remaining Phase: Site Formation and Infrastructure Works (South), (ii) Improvement Works of Fanling Highway (Kwu Tung Portion) and Associated Works, (iii) Fanling North New Development Area, Remaining Phase: Site Formation and Infrastructure Works (East), and (iv) Hung Shui Kiu/Ha Tsuen New Development Area Second Phase Development – Contract 1, 2 and 3. Projects related to the Northern Metropolis will be implemented gradually in the coming years. Alongside other significant infrastructure works aimed at enhancing people's quality of life, the Hong Kong Government's capital works expenditure is expected to reach its peak. The Medium Range Forecast of the 2024-25 Budget of the Hong Kong Government anticipates an increase in capital works expenditure from approximately \$90 billion annually to around \$120 billion annually on average in the future. These new infrastructure projects will boost the government spending on the civil construction industry as well as the potential revenue of the Group.

MTR has embarked on a significant and new phase of railway investment and development, with plans to invest approximately HK\$100 billion in expanding its network and fostering new communities. These initiatives are expected to generate more workers' employment opportunities and boost the local economy during construction. Additionally, MTR will allocate substantial resources for the maintenance, enhancement, and renewal of its railway assets, with expenditures exceeding HK\$65 billion over the next five years, starting from 2023. Five MTR new station projects have also been launched and under construction in 2024. These include Tung Chung West Station and tunnel, Tung Chung Line extension, Kwu Tung Station on the East Railway Line, Oyster Bay Station and Tuen Mun South extension. The Group has already received tenders from its existing main contractors clients and it is believed that the Group's experience in previous MTR works will provide the Group a good opportunity and a competitive edge in the successful tendering of these new projects.

The Hong Kong Airport Authority has unveiled its new development brand, 'SKYTOPIA', as part of its Airport City Blueprint. A substantial budget of HK\$100 billion is dedicated to leveraging land and marine resources near the Hong Kong International Airport. The project may introduce a driverless transportation system connecting to the Hong Kong Port of Hong Kong– Zhuhai– Macao Bridge, Tung Chung Station, and Airport City. Phase 2 development of the AsiaWorld-Expo is also planned, together with marine sports, luxury hotels, promenades, and other sports complexes.

The Group will continue to focus on growing its tunnel construction services business and expects this to be its major growth driver and a long-term and sustainable source of revenue. The Group is one of the selected few subcontractors experienced in tunnel construction in Hong Kong and is well prepared to capitalise on the opportunities from these public infrastructure projects.

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily generated from public sector projects for the provision of (i) tunnel construction services; and (ii) utility construction services and others for the year ended 31 December 2024. The following table sets out the breakdown of the Group's revenue by project types for the periods indicated:

	For the year ended 31 December			
	2024	2024	2023	2023
		% of total		% of total
	HK\$'000	revenue	HK\$'000	revenue
Public sector projects				
– Tunnel construction services	545,082	66.9	325,178	59.2
– Utility construction services and others	250,171	30.7	220,781	40.1
Sub-total	795,253	97.6	545,959	99.3
Private sector projects	19,928	2.4	3,595	0.7
Total	815,181	100.0	549,554	100.0

The Group's revenue increased from approximately HK\$549,554,000 for the year ended 31 December 2023 to approximately HK\$815,181,000 for the year ended 31 December 2024, representing an increase of approximately HK\$265,627,000 or 48.3%. The increase in revenue was mainly due to the increase in revenue generated from tunnel construction projects in the public sector from approximately HK\$325,178,000 for the year ended 31 December 2023 to approximately HK\$545,082,000 for the year ended 31 December 2024, representing an increase of approximately HK\$219,904,000 or 67.6%.

Cost of services

The Group's cost of services mainly consisted of (i) staff costs; (ii) construction materials and supplies; (iii) subcontracting costs; (iv) short-term lease of plant and machinery; (v) depreciation charges; and (vi) other expenses.

The Group's cost of services increased from approximately HK\$439,532,000 for the year ended 31 December 2023 to approximately HK\$657,031,000 for the year ended 31 December 2024, representing an increase of approximately HK\$217,499,000 or 49.5%. Such increase was mainly due to: (i) an increase in the staff costs from approximately HK\$188,197,000 for the year ended 31 December 2023 to approximately HK\$286,864,000 for the year ended 31 December 2024, representing an increase of approximately HK\$98,667,000 or 52.4%; (ii) an increase in the subcontracting costs from approximately HK\$22,338,000 for the year ended 31 December 2023 to approximately HK\$82,658,000 for the year ended 31 December 2024, representing an increase of approximately HK\$60,320,000 or 270.0%; (iii) an increase in the short-term lease of plant and machinery from approximately HK\$29,952,000 for the year ended 31 December 2023 to approximately HK\$50,203,000 for the year ended 31 December 2024, representing an increase of approximately HK\$20,251,000 or 67.6%; and (iv) an increase in the construction materials and supplies from approximately HK\$180,580,000 for the year ended 31 December 2023 to approximately HK\$210,738,000 for the year ended 31 December 2024, representing an increase of approximately HK\$30,158,000 or 16.7%.

The purchase arrangement of construction materials and supplies, subcontracting costs and the short-term lease of plant and machinery depend on the terms of the contracts, which may vary on a project-by-project basis. The increase in staff costs was due to the increase in number of skilled construction workers during the Reporting Period despite an overall decrease in number of general and skilled workers as at the end of the Reporting Period.

Gross profit and gross profit margin

The gross profit and gross profit margin of the Group for the year ended 31 December 2024 was approximately HK\$158,150,000 and 19.4%, respectively (2023: approximately HK\$110,022,000 and 20.0%, respectively). The increase in gross profit was primarily due to the positive progress made on the construction works of the Group's tunnel construction services.

Other income

The Group's other income was approximately HK\$1,642,000 for the year ended 31 December 2024 (2023: approximately HK\$1,310,000), which was mainly attributable to the government grants of approximately HK\$1,092,000 (2023: approximately HK\$728,000) from the CITF launched by the CIC in Hong Kong during the Reporting Period.

Provision of the impairment loss on trade receivables and contract assets, net

During the Reporting Period, the provision of the impairment loss on trade receivables and contract assets, net was mainly due to increased impairment loss on contract assets of approximately HK\$8,528,000 (2023: approximately HK\$8,595,000) due to the increase in credit risk of the unbilled revenue recognized in prior years. The provision is calculated based on the impairment assessment under the requirements of HKFRS 9 Financial Instruments.

Provision for impairment loss on deposits and other receivables, net

During the Reporting Period, the provision of the impairment loss on deposits and other receivables was approximately HK\$2,916,000 (2023: Nil) due to an increase in credit risk of default based on the impairment assessment under the requirements of HKFRS 9 Financial Instruments.

Administrative expenses

The Group's administrative expenses mainly comprised (i) staff costs and benefits; (ii) Directors' remuneration; (iii) depreciation expenses; (iv) office expenses; and (v) professional fees.

The Group's administrative expenses increased from approximately HK\$28,013,000 for the year ended 31 December 2023 to approximately HK\$40,961,000 for the year ended 31 December 2024, representing an increase of approximately HK\$12,948,000 or 46.2%. The staff costs and benefits for the year ended 31 December 2024 were approximately HK\$15,566,000 (2023: approximately HK\$9,485,000), representing an increase of approximately HK\$6,081,000 or 64.1%. The Directors' remuneration was approximately HK\$4,032,000 (2023: approximately HK\$3,414,000) during the Reporting Period. The increase in administrative expenses was in line with the increase in revenue during the Reporting Period. The increase in staff costs and benefits was mainly due to the salary increment, the increased number of administrative, accounting and human resources staff to handle the increased workload, the recognition of share-based payment expenses under the share awards granted to 9 grantees on 14 June 2024 (the "**Share Awards**") of approximately HK\$597,000 (2023: Nil), and the long service payment expense of approximately HK\$673,000 (2023: Nil) for all employees, including Directors, who has worked under a continuous contract for a minimum of five years under certain circumstances as at the end of the Reporting Period, and is calculated in accordance with the provisions of the Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong).

Finance costs

The Group's finance costs decreased from approximately HK\$3,712,000 for the year ended 31 December 2023 to approximately HK\$3,141,000 for the year ended 31 December 2024 due to the decrease in interest expenses on the bank borrowings during the Reporting Period.

Income tax

The Group generated income only in Hong Kong and was subject only to Hong Kong profits tax.

The income tax for the year ended 31 December 2024 mainly resulted from the profits tax for the assessable profits during the Reporting Period.

Profit and total comprehensive income attributable to the owners of the Company (the “Net Profit”)

The Group’s Net Profit for the year ended 31 December 2024 was approximately HK\$86,171,000 (2023: approximately HK\$61,479,000). Such increase in the Net Profit was mainly due to the increase in revenue and gross profit during the Reporting Period as discussed above.

Dividends

The Directors recommended a final dividend of HK\$4.0 cents per Share (2023: HK\$5.0 cents) for the year ended 31 December 2024, based on the basic earnings per Share of approximately HK\$17.73 cents. With an interim dividend of HK\$4.0 cents per share (2023: Nil) paid on Thursday, 31 October 2024. The total interim and final dividends for the year ended 31 December 2024 amounted to HK\$8.0 cents per Share.

Liquidity, financial resources and funding

As at 31 December 2024, the Group’s cash at banks and in hand amounted to approximately HK\$26,410,000 (2023: approximately HK\$4,467,000), which were denominated in Hong Kong dollar. Such increase was mainly due to the cash generated from the operating activities during the Reporting Period.

On 23 August 2021, GMEHK received a banking facility letter of a revolving loan granted by a licensed bank in Hong Kong of HK\$18,000,000 at an interest rate of 1% per annum below the Hong Kong Prime Rate under the SME Financing Guarantee Scheme, which is secured by personal guarantees executed by Mr. Chuang Chun Ngok Boris, Mr. Chuang Wei Chu, Ms. To Yin Ping and Ms. Chuang Yau Ka. On 9 December 2022, GMEHK entered into another bank facility letter with the same bank, for which the bank provided bank facilities of revolving loan and import invoice discounting for two construction contracts of GMEHK up to an aggregate amount of HK\$30,000,000 at an interest rate of 0.5% per annum below the Hong Kong Prime Rate. The bank increased its interest rate to the Hong Kong Prime Rate on 4 November 2024, which is secured by personal guarantees executed by Chuang Chun Ngok Boris and Mr. Chuang Wei Chu, the executive Directors, and a corporate guarantee by the Company. Pursuant to this facility letter, the Controlling Shareholders shall at all time collectively maintain not less than 50% of the issued share capital of the Company. Besides, Mr. Chuang Chun Ngok Boris shall remain as the chairman of the Company.

Besides, on 9 December 2022, GMEHK signed a banking facility letter of export invoice discounting with another licensed bank in Hong Kong of HK\$12,000,000 at an interest rate of 3.0% per annum over the higher of HIBOR and the bank’s cost of fund and revolving short-term loan of HK\$6,000,000 at an interest rate of 3.5% per annum over the higher of HIBOR at the bank’s cost of fund, which are secured by a corporate guarantee by the Company and pledged bank deposits of HK\$3,000,000.

During the Reporting Period, another licensed bank in Hong Kong granted bank facilities of (i) an export invoice financing of HK\$12,000,000 at an interest rate of 2.00% per annum over the bank's cost of funding and (ii) a revolving short-term loan of HK\$6,000,000 at an interest rate of 2.25% per annum over the bank's cost of funding. These banking facilities are secured by the corporate guarantee by the Company, pledged bank deposits of HK\$3,000,000, and fixed and floating charges over receivables of a construction project of GMEHK.

As at 31 December 2024, the Group had bank borrowings of HK\$46,000,000 (2023: HK\$66,000,000).

As at 31 December 2024, the lease liabilities represented the leases arrangement of the Group's office equipment, office premise and staff quarters, machineries, and motor vehicles amounted to approximately HK\$8,612,000 (2023: approximately HK\$6,124,000). For the year ended 31 December 2024, the lease payments and interest expenses on leases liabilities amounted to approximately HK\$3,385,000 (2023: approximately HK\$3,130,000) and approximately HK\$344,000 (2023: approximately HK\$332,000), respectively.

The Group's gearing ratio, which is calculated by total debts divided by total equity, was approximately 59% as at 31 December 2024 (2023: approximately 78%).

The Group did not carry out any hedging activities by using any financial instruments during the Reporting Period.

Capital structure

As at 31 December 2023 and 2024, the capital structure of the Company comprised issued share capital and reserves.

Commitments

Save as disclosed in note 14 to the consolidated financial statements of the Company, there were capital commitments of approximately HK\$176,000 (2023: approximately HK\$669,000) for the acquisition of property, plant and equipment as at 31 December 2024.

Significant investments, material acquisitions or disposal of subsidiaries and associated companies

Except for the Best Build Acquisition disclosed above, there were no significant investments, material acquisitions or disposal of subsidiaries and associated companies by the Company for the year ended 31 December 2024.

Future plans for material investments and capital assets

The Group did not have other plans for material investment or capital assets as at 31 December 2024.

Contingent liabilities

As at 31 December 2024, there were a number of labour claims lodged against the Group arising from the ordinary course of its civil engineering construction business. No specific claim amount has been specified in the applications of these claims.

It is anticipated that the outflow of resources required in settling these claims, if any, is remote and furthermore, these claims are usually covered by insurance maintained by the relevant main contractors. Therefore, the ultimate liability under these claims would not have a material adverse impact on the financial position or performance of the Group. No provision for the contingent liabilities in respect of the litigations is necessary.

Foreign currency exposure

The Group's reporting currency is Hong Kong dollar. During the years ended 31 December 2023 and 2024, the Group's transactions were mainly denominated in Hong Kong dollar. The Company therefore considers the Group is exposed to minimal foreign exchange risk.

Charges on the Group's assets

As at 31 December 2024, the Group had pledged bank deposits of HK\$6,000,000 to secure the export invoice discounting bank facility as of 31 December 2024 (2023: approximately HK\$3,000,000).

Information on employees

As at 31 December 2024, the Group had 588 employees (2023: 662), which comprises 8 management staff (2023: 6), 20 technical staff (2023: 22), 21 administration, accounting and human resources staff (2023: 14) and 539 general and skilled construction workers (2023: 620) in Hong Kong.

The employee remuneration package is based on previous working experience and the actual performance of each individual employee. Apart from the basic salary, discretionary bonus and allowance will be granted to employees based on their individual performance subject to the executive Directors' approval. The total staff costs (included in cost of services and administrative expenses) and Directors' remuneration amounted to approximately HK\$306,462,000 for the year ended 31 December 2024 (2023: approximately HK\$201,096,000). Such increase mainly resulted from the increase in staff costs in the cost of services and administrative expenses during the Reporting Period.

Depending on the nature of works and the need of the projects, the Group hired more skilled workers, resulted in increase in average workers headcount during the Reporting Period. The Group will provide trainings to the existing and newly joined employees from time to time. The Group's customers sometimes require the employees to attend their own on-site occupational safety trainings.

Events after the Reporting Period

After the end of the reporting period, 680,000 ordinary shares were repurchased from the Stock Exchange and had been cancelled. The total consideration (including transaction costs) of the share repurchase was approximately HK\$263,000.

Save as disclosed, no other event has occurred after 31 December 2024 and up to the date of this announcement which would have a material effect on the Group.

OTHER INFORMATION

Corporate governance practices

The Company considers the maintenance of a high standard of corporate governance important to the continuous growth of the Group. The Company's corporate governance practices are based on the code provisions as set out in the Corporate Governance Code (the "**CG Code**") as contained in Part 2 of Appendix C1 to the GEM Listing Rules. The Shares were listed on GEM of the Stock Exchange on 22 February 2017 (the "**Listing Date**"). The Company has since then adopted and complied with, where applicable, the CG Code from the Listing Date up to the date of this announcement to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner and enable the evaluation by the Shareholders of such application.

The Company will continue to review and enhance its corporate governance practices from time to time to comply with statutory requirements and regulations.

During the Reporting Period, the Directors considered that the Company has complied with the CG Code.

Code of conduct for securities transactions by directors

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard of Dealings**") as the code of conduct regarding securities transactions by the Directors in respect of the Shares (the "**Code of Conduct**").

The Company had made specific enquiry with the Directors and all Directors confirmed that they had fully complied with the Required Standard of Dealings set out in the Code of Conduct during the Reporting Period.

Purchase, Sales or Redemption of the Company's Listed Shares

Shares Cancellation during the Reporting Period:

During the Reporting Period, the Company repurchased a total of 6,464,000 Shares on the Stock Exchange. Such share repurchase was subsequently cancelled during the Reporting Period. Details of those transactions are as follows:

Month of Share Repurchase	Number of Shares repurchased	Price per Share		Total price paid (excluding the brokerage fees and other expenses) HK\$
		Highest HK\$	Lowest HK\$	
June 2024	1,316,000	0.260	0.223	305,160
July 2024	976,000	0.345	0.325	327,200
September 2024	104,000	0.385	0.365	39,960
October 2024	1,480,000	0.375	0.350	533,300
November 2024	1,280,000	0.370	0.355	461,900
December 2024	1,308,000	0.375	0.350	467,900
	<u>6,464,000</u>			<u>2,135,420</u>

On 24 January 2025, the Company further repurchased a total of 680,000 Shares on the Stock Exchange. Details of this transaction is as follows:

Shares Cancellation on 24 January 2025:

Month of Share Repurchase	Number of Shares repurchased	Price per Share		Total price paid (excluding the brokerage fees and other expenses) HK\$
		Highest HK\$	Lowest HK\$	
January 2025	<u>680,000</u>	<u>0.3950</u>	<u>0.3800</u>	<u>261,900</u>

The share repurchase disclosed above was effected by the Directors pursuant to the general mandates granted by the Shareholders at the annual general meeting of the Company held on 2 May 2019 and the annual general meeting of the Company held on 24 May 2024, with a view to benefit the Shareholders as a whole by enhancing the net asset value per Share of the Group.

Except as disclosed above, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Reporting Period.

Closure of register of members

The AGM will be held on Friday, 23 May 2025.

The register of members of the Company will be closed from Monday, 19 May 2025 to Friday, 23 May 2025, both days inclusive, for the purposes of determining the entitlements of the Shareholders to attend and vote at the forthcoming AGM. During this period, no transfer of the shares will be registered. In order to qualify for attending and voting at the AGM, all transfers, accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 16 May 2025.

To ascertain entitlement to the proposed final dividends, the register of members of the Company will also be closed from Thursday, 29 May 2025 to Friday, 30 May 2025, both days inclusive. In order to qualify for the proposed final dividends, which is subject to approval of Shareholders at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 28 May 2025.

Audit Committee

The Group has established the audit committee of the Company (the “**Audit Committee**”) pursuant to a resolution of the Board passed on 10 February 2017 in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and with written terms of reference in compliance with the CG Code. The written terms of reference was revised pursuant to a resolution of the Board passed on 25 March 2019. The primary duties of the Audit Committee include (i) making recommendations to the Board on the appointment, reappointment and removal of the external auditor; (ii) reviewing and supervising the financial statements and material advice in respect of financial reporting; (iii) overseeing internal control procedures and corporate governance of the Company; (iv) supervising internal control and risk management systems of the Group; and (v) monitoring continuing connected transactions (if any).

The Audit Committee currently consists of all three of the independent non-executive Directors, namely Mr. Lau Chun Fai Douglas, Ir Ng Wai Ming Patrick and Mr. Lam Man Bun Alan and the chairman of the Audit Committee is Mr. Lau Chun Fai Douglas, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules.

The annual results of the Group for the year ended 31 December 2024 have been reviewed by the Audit Committee.

Share scheme

The share scheme of the Company had been approved by the shareholders of the Company at the extraordinary general meeting held on 24 May 2024 and had been adopted on 29 May 2024 (the “**Listing Approval Date**”) on which the date for the Company obtained the listing approval from the Stock Exchange (the “**Share Scheme**”). The maximum number of shares which may be issued in respect of all share options and share awarded to be granted under the Share Scheme and any other share schemes shall not exceed 48,780,800 Shares, representing 10% of the shares in issue as at the Listing Approval Date of the Share Scheme unless the Company obtains a fresh approval from the Shareholders.

As set out in the announcement and circular of the Company dated 14 June 2024 (the “**Grant Date**”), the Board had resolved to award and grant conditionally an aggregate of 4,600,000 Shares of HK\$0.01 (the “**Awarded Shares**”) to nine selected employees of GMEHK (“**Grantees**”) as incentive bonus. All of the Awarded Shares to each of the Grantees have a vesting period of 12 months (vesting on 14 June 2025).

During the Reporting Period, the movement of share awards granted are as follows:

Date of grant	Grantee(s)	Number of respective Shares awarded		Vested and issued, and lapsed as at 14 June 2024	Vested and issued during the Reporting Period	Lapsed during the Reporting Period	To be vested and issued as at 31 December 2024
		Number of new Shares awarded					
14 June 2024	9 Grantees	4,600,000		–	–	300,000	4,300,000

The Group recognised a net total expense of HK\$597,000 for the year ended 31 December 2024 (2023: Nil) in relation to the share award by the Company.

The number of Shares of the limit of the Share Scheme, net the Awarded Shares, was 44,180,000 as at 31 December 2024. The number of Shares that may be issued in respect of the Share Scheme divided by the weighted average number of ordinary Shares in issue as at 31 December 2024 is 0.94%.

Interest of the compliance adviser

As at the date of this announcement, except for (i) the participation of Altus Capital Limited (“**Altus**”) as the sponsor in relation to the listing of the Company on GEM; (ii) the compliance adviser agreement entered into between the Company and Altus dated 26 April 2016 and extended on 31 March 2020, 14 August 2020, 24 March 2021, 11 August 2021, 24 March 2022, 16 August 2022, 31 March 2023, 16 August 2023, 9 April 2024 and 27 August 2024; and (iii) the financial advisory mandate entered into between the Company and Altus dated 6 March 2017, neither Altus nor any of its directors, employees or associates had any interests in relation to the Group.

Scope of work of BDO Limited

The figures in respect of the Group's consolidated statement of the financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

Publication of annual report on the websites of the Company and the Stock Exchange

Pursuant to the requirements of the GEM Listing Rules, the 2024 annual report of the Company will set out all information required by the GEM Listing Rules and will be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.gmehk.com on or before 30 April 2025.

By order of the Board
GME Group Holdings Limited
Chuang Chun Ngok Boris
Chairman and executive Director

Hong Kong, 26 March 2025

As at the date of this announcement, the executive Directors are Mr. Chuang Chun Ngok Boris and Mr. Chuang Wei Chu, the non-executive Director Ms. Chuang Yau Ka, and the independent non-executive Directors are Mr. Lam Man Bun Alan, Mr. Lau Chun Fai Douglas and Ir Ng Wai Ming Patrick.

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its posting and on the Company's website at www.gmehk.com.