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BOLTEK HOLDINGS LIMITED
寶燧控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8601)

ANNUAL RESULTS ANNOUNCEMENT
FOR 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of Boltek Holdings Limited (the “Company”, together with its subsidiaries, the “Group” or “We”) 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 FOR THE YEAR ENDED 31 DECEMBER 2024

The board of Directors of the Company (the “Board”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024 (the “Year”) together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	187,279	170,406
Cost of services		<u>(125,198)</u>	<u>(110,056)</u>
Gross profit		62,081	60,350
Other income	5	3,873	3,931
Bargain purchase from business combination		–	1,265
Administrative expenses		(31,294)	(31,821)
Provision of expected credit loss (“ECL”)		(1,178)	(527)
Finance costs		<u>(402)</u>	<u>(242)</u>
Profit before income tax	6	33,080	32,956
Income tax expense	7	<u>(5,025)</u>	<u>(4,727)</u>
Profit and total comprehensive income for the year attributable to equity holders of the Company		<u>28,055</u>	<u>28,229</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share attributable to equity holders of the Company			
Basic and diluted	9	<u>3.51</u>	<u>3.53</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		7,673	11,536
Deferred tax assets		2,704	2,382
		10,377	13,918
Current assets			
Contract assets	11	34,449	29,903
Trade and other receivables	10	87,017	74,768
Cash and bank balances		36,542	67,547
		158,008	172,218
Current liabilities			
Contract liabilities	11	225	272
Provisions		411	1,888
Trade and other payables	12	20,673	13,733
Lease liabilities		3,352	3,544
Amounts due to directors		2,360	5,163
Tax payable		327	1,214
		27,348	25,814
Net current assets		130,660	146,404
Total assets less current liabilities		141,037	160,322
Non-current liabilities			
Lease liabilities		1,560	4,503
Long service payment obligations	13	3,325	2,722
		4,885	7,225
Net assets		136,152	153,097
EQUITY			
Share capital	14	8,000	8,000
Reserves		128,152	145,097
Total equity		136,152	153,097

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Total equity attributable to equity holders of the Company				
	Share capital HK\$'000 (Note 14)	Capital reserve* HK\$'000	Share premium* HK\$'000	Retained earnings* HK\$'000	Total HK\$'000
Balance at 1 January 2023 (Restated)	8,000	17,000	64,668	100,200	189,868
Dividend declared (note 8)	—	—	—	(65,000)	(65,000)
Transactions with owners	—	—	—	(65,000)	(65,000)
Profit and total comprehensive income for the year	—	—	—	28,229	28,229
Balance at 31 December 2023 and 1 January 2024	8,000	17,000	64,668	63,429	153,097
Dividend declared (note 8)	—	—	—	(45,000)	(45,000)
Transactions with owners	—	—	—	(45,000)	(45,000)
Profit and total comprehensive income for the year	—	—	—	28,055	28,055
Balance at 31 December 2024	8,000	17,000	64,668	46,484	136,152

* These reserves accounts comprise the Group's reserves of HK\$128,152,000 (2023: HK\$145,097,000) in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

Boltek Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 18 April 2018. The Company’s shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 13 September 2018. The addresses of its registered office and principal place of business is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and 5/F, Winning Commercial Building, 46–48 Hillwood Road, Tsim Sha Tsui, Kowloon, Hong Kong, respectively.

The Company, which is an investment holding company, and its subsidiaries (collectively referred as the “Group”) are principally engaged in provision of engineering design, landscape architecture and consultancy services in Hong Kong and investment holding.

The Company’s immediate and ultimate holding company is Waywin Investment Holding Limited (“Waywin Investment”), a company incorporated in the British Virgin Islands (the “BVI”). The ultimate controlling shareholder of the Group is Mr. Cheung Kwan Tar (“Controlling Shareholder”).

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of presentation

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance (“CO”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (“GEM Listing Rules”).

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group’s financial statements, if any, are disclosed in Note 3.

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

The consolidated financial statements are presented in Hong Kong dollars (“HK\$” or “HKD”), which is also the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousand (HK\$’000), except where otherwise indicated.

3. ADOPTION OF NEW AND AMENDED HKFRSs

Amended HKFRSs that are effective for annual periods beginning on 1 January 2024

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of the amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²

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 date not yet determined

The directors anticipate that all of the new and amended HKFRSs will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the new and amended HKFRSs. These new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Revenue

The Group's principal activities are disclosed in Note 1 to the consolidated financial statements. Revenue is recognised over time and is disaggregated by nature of engineering design, landscape architecture and consultancy services as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Civil engineering		
– Road & structural engineering	120,102	109,997
– Geotechnical engineering	20,572	11,565
– Others	9,180	14,017
	<u>149,854</u>	<u>135,579</u>
Traffic engineering	22,010	24,166
Building engineering	5,668	5,881
Landscape architecture	5,238	2,815
Other ancillary services	4,509	1,965
	<u>187,279</u>	<u>170,406</u>

Under the contracts with customers, each engineering design, landscape architecture and consultancy service contract relates to facts and circumstances that are specific to each customer. Contract terms provide the Group with an enforceable right to payment, for its performance completed to date, of its costs incurred plus a reasonable margin.

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 December 2024 and 2023.

	At 31 December 2024 <i>HK\$'000</i>
Remaining performance obligations expected to be satisfied during the year ending	
31 December 2025	190,814
31 December 2026	80,172
After 31 December 2026	<u>25,267</u>
	<u>296,253</u>

At 31 December
2023
HK\$'000

**Remaining performance obligations expected to be satisfied
during the year ending**

31 December 2024	201,444
31 December 2025	54,684
After 31 December 2025	37,010
	<hr/>
	293,138
	<hr/> <hr/>

Segment information

The chief operating decision maker has been identified as the executive directors of the Company. The executive directors regard the Group's business of provision of engineering design and consultancy services as a single operating segment and reviews the overall results of the Group as a whole to make decision about resources allocation and performance assessment. Accordingly, no segment analysis information is presented.

Geographical information

No separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is Hong Kong.

Information about major customers

Revenue from customers which individually contributed over 10% of the Group's revenue is as follows:

	2024 HK\$'000	2023 HK\$'000
Customer A	19,889	24,339
	<hr/> <hr/>	<hr/> <hr/>

5. OTHER INCOME

	2024 HK\$'000	2023 HK\$'000
Bank interest income	1,636	3,114
Government subsidies (note a)	2,192	773
Sundry income	39	34
Accrual written off	–	10
Gain on early termination of lease arrangement	6	–
	<hr/>	<hr/>
	3,873	3,931
	<hr/> <hr/>	<hr/> <hr/>

Note (a): Subsidies have been received from the Hong Kong Vocational Training Council and the Construction Industry Council, institutions established by the Hong Kong Government (the "HKSAR Government"), for providing on-the-job training for graduate engineers and trainees, respectively. There were no unfulfilled conditions or contingencies relating to these subsidies.

6. PROFIT BEFORE INCOME TAX

	2024 HK\$'000	2023 HK\$'000
Profit before income tax is stated after charging/(crediting):		
(a) Staff costs (including directors' emoluments <i>(note)</i>)		
– Salaries, wages, bonus and other benefits	115,057	105,960
– Contributions to defined contribution retirement plans	3,534	2,855
– Expenses arising from LSP obligations	603	614
	<u>119,194</u>	<u>109,429</u>
(b) Other items		
Depreciation (included in administrative expenses)		
– Owned assets	1,645	1,721
– Right-of-use assets	3,878	3,957
Subconsultancy fees (included in cost of services)	20,924	14,125
Auditors' remuneration – audit services	830	800
Short-term lease charges in respect of:		
– Carpark	8	49
– Office	1,734	486
Exchange losses	–	483
Provision of ECL on:		
– contract assets	63	60
– trade receivables	1,115	467
Gain on early termination of lease arrangement	(6)	–
Written back of provisions	(1,476)	–
	<u>(1,476)</u>	<u>–</u>

Note:

Staff costs (including directors' emoluments)

	2024 HK\$'000	2023 HK\$'000
Cost of services	104,160	94,332
Administrative expenses	<u>15,034</u>	<u>15,097</u>
	<u>119,194</u>	<u>109,429</u>

During the years ended 31 December 2024 and 2023, there were no contributions forfeited by the Group on behalf of its employees who left the plan prior to vesting fully in such contribution, nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 December 2024 and 2023, no forfeited contributions were available for utilisation by the Group to reduce the existing level of contributions.

7. INCOME TAX EXPENSE

	2024 HK\$'000	2023 HK\$'000
Provision for Hong Kong Profits Tax		
– Current tax	5,350	4,728
– Overprovision in respect of prior years	(3)	(6)
Deferred tax		
– Current year	(322)	5
	<u>5,025</u>	<u>4,727</u>

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, except for Mannings (Asia) Consultants Limited (“**Mannings**”), a subsidiary of the Group, which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying entities are taxed at 8.25%, and the profits above HK\$2 million are taxed at 16.5%.

8. DIVIDENDS

Dividends attributable to the year:

	2024 HK\$'000	2023 HK\$'000
Interim dividend of HK\$5.625 cents per ordinary share (2023: HK\$8.125 cents)	<u>45,000</u>	<u>65,000</u>

The directors did not recommend the payment of final dividend for the years ended 31 December 2024 and 2023.

9. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to equity holders of the Company is based on the following:

	2024	2023
Profit		
Profit for the year attributable to equity holders of the Company (HK\$'000)	28,055	28,229
Number of shares		
Number of ordinary shares (<i>in thousands</i>)	<u>800,000</u>	<u>800,000</u>
	<i>HK Cents</i>	<i>HK Cents</i>
Basic earnings per share	<u>3.51</u>	<u>3.53</u>

There were no dilutive potential ordinary shares during the years ended 31 December 2024 and 2023 and therefore, diluted earnings per share equals to basic earnings per share.

10. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	72,417	61,827
Less: ECL allowance	<u>(3,336)</u>	<u>(2,221)</u>
	<u>69,081</u>	<u>59,606</u>
Other receivables	16,115	13,205
Prepayments	1,472	1,517
Utility and other deposits	<u>349</u>	<u>440</u>
	<u>87,017</u>	<u>74,768</u>

Other receivables represent resident site staff salary and medical insurance paid as well as secondment staff salaries, which have been fully reimbursed from HKSAR Government authorities subsequently. In respect of projects awarded by the HKSAR Government, it is required to recruit resident site staff to perform site supervision and maintain proper records of site activities. Pursuant to the contract terms, the actual expenditure paid to those employed resident site staff are entitled to be reimbursed by HKSAR Government on a monthly basis.

The directors of the Company consider that the fair values of trade and other receivables are not materially different from their carrying amounts, because their balances have short maturity periods on their inception.

Trade receivables

The Group usually provide customers with a credit term of 0 to 60 days. For the settlement of trade receivables from provision of engineering design, landscape architecture and consultancy services, the Group usually reaches an agreement on the term of each payment with the customer by taking into account of factors such as, among other things, the credit history of the customer, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgement and experience of the management.

Based on the invoice dates, the ageing analysis of the trade receivables, net of ECL allowance, was as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	18,478	17,839
31–60 days	13,208	13,180
61–90 days	7,391	6,007
91–365 days	19,753	15,454
Over 365 days	<u>10,251</u>	<u>7,126</u>
	<u>69,081</u>	<u>59,606</u>

The movement in the ECL allowance of trade receivables is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Balance at 1 January	2,221	1,754
ECL allowance recognised during the year	<u>1,115</u>	<u>467</u>
Balance at 31 December	<u><u>3,336</u></u>	<u><u>2,221</u></u>

Other receivables

No amounts in relation to other receivables were past due at 31 December 2024 and 2023.

11. CONTRACT BALANCES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contract assets	34,750	30,141
Less: ECL allowance	<u>(301)</u>	<u>(238)</u>
Contract assets, net of ECL allowance	34,449	29,903
Contract liabilities	<u>(225)</u>	<u>(272)</u>
	<u><u>34,224</u></u>	<u><u>29,631</u></u>

The amount of revenue recognised during the year ended 31 December 2024 from performance obligations satisfied in previous periods, mainly due to the changes in estimate of the stage of completion, is HK\$1,855,000 (2023: HK\$233,000).

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. 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.

Change of contract assets during the year ended 31 December 2024 and 2023 were mainly due to changes in number of contract works that the relevant services were completed but yet been certified at the end of the reporting period.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Transfers from contract assets recognised at the beginning of the year to receivables	<u><u>(19,975)</u></u>	<u><u>(16,097)</u></u>
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u><u>120</u></u>	<u><u>84</u></u>

The balance of contract assets and contract liabilities are expected to be recovered/settled within one year.

The movement in the ECL allowance of contract assets is as follows:

	2024 HK\$'000	2023 HK\$'000
Balance at 1 January	238	178
ECL allowance recognised during the year	<u>63</u>	<u>60</u>
Balance at 31 December	<u><u>301</u></u>	<u><u>238</u></u>

12. TRADE AND OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000
Trade payables (<i>note (a)</i>)	5,055	2,922
Accruals and other payables (<i>note (b)</i>)	<u>15,618</u>	<u>10,811</u>
	<u><u>20,673</u></u>	<u><u>13,733</u></u>

Notes:

- (a) The Group is usually granted by suppliers with a credit term of 0 to 30 days. The ageing analysis of trade payables based on the invoice date is as follows:

	2024 HK\$'000	2023 HK\$'000
0–30 days	3,298	2,202
31–60 days	404	97
61–90 days	200	–
91–365 days	609	190
Over 365 days	<u>544</u>	<u>433</u>
	<u><u>5,055</u></u>	<u><u>2,922</u></u>

- (b) Included in the Group's accruals and other payables as at 31 December 2024 was an amount of HK\$7,674,000 (2023: HK\$9,153,000), which represented accrued staff bonus.
- (c) All amounts are short-term and hence, the carrying values of the Group's trade payables and accruals and other payables are considered to be a reasonable approximation of fair value.

13. LONG SERVICE PAYMENT OBLIGATIONS

Pursuant to the Hong Kong Employment Ordinance, Chapter 57, Hong Kong employees that have been employed continuously for at least five years are entitled to LSP under certain circumstances (e.g. dismissal by employers or upon retirement).

The amount of LSP payable is determined with reference to the employee's last monthly 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, 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 obligations.

In June 2022, the Hong Kong SAR Government (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Amendment Ordinance will take effect on 1 May 2025 (the "Transition Date"). Separately, the Government has indicated that it would launch a subsidy scheme to assist employers after the abolition.

Among other things, once the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date. In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

The benefit payment under LSP remains capped at HK\$390,000 per employee. If an employee's total benefit payment exceeds HK\$390,000, the amount in excess of the cap is deducted from the portion accrued from the Transition Date.

The Group has accounted for the offsetting mechanism and its abolition.

The Group has determined that the Amendment Ordinance primarily impacts the Group's LSP obligations with respect to Hong Kong employees.

The present value of unfunded LSP obligations and its movements are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At 1 January	2,722	1,846
Addition through business combination	–	262
Expenses recognised in profit or loss		
– Current service cost	603	614
At 31 December	3,325	2,722

The current service cost and past service cost are included in employee benefits expenses. They are recognised in the following line items in the consolidated statement of profit or loss and other comprehensive income:

	2024 HK\$'000	2023 <i>HK\$'000</i>
Cost of services	541	572
Administrative expenses	62	42
	603	614

Estimates and assumptions

The significant actuarial assumptions for the determination of LSP obligations are as follows:

	2024	2023
Discount rate	3.743%	3.703%
Salary growth rate	2%	2%

These assumptions were developed by management. Discount factors are determined close to each period-end by reference to market yields of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related LSP obligations. Other assumptions are based on current actuarial benchmarks and management's historical experience.

The present value of the LSP obligations was measured using the projected unit credit method.

The weighted average duration of the LSP obligations is 6.27 years (2023: 7.25 years).

Expected maturity analysis of undiscounted LSP obligations in the next 13 years (2023: 14 years) as at 31 December 2024 and 2023 is disclosed as follows:

	Within 1 year HK\$'000	Over 1 year but within 2 years HK\$'000	Over 2 years but within 5 years HK\$'000	Over 5 years HK\$'000
31 December 2024				
LSP obligations	831	123	531	2,592
31 December 2023				
LSP obligations	694	–	650	2,252

The LSP obligations expose the Group to actuarial risks such as interest rate risk, salary risk and the investment risk of the Group's MPF scheme's constituent funds.

Changes in the significant actuarial assumptions

The calculation of the LSP obligations is sensitive to the significant actuarial assumptions mentioned above. The following table summarises the effects of changes in these actuarial assumptions on the LSP obligations at the end of each reporting periods.

		Impact on LSP obligations	
	Changes in assumption	Increase in the assumption <i>HK\$'000</i>	Decrease in the assumption <i>HK\$'000</i>
As at 31 December 2024			
Discount rate	5%	(773)	773
Salary growth rate	5%	<u>50</u>	<u>(50)</u>
As at 31 December 2023			
Discount rate	5%	(713)	713
Salary growth rate	5%	<u>15</u>	<u>(15)</u>

The sensitivity analyses presented above may not be representative of actual change in the LSP obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. When calculating the sensitivity of the LSP obligation to significant actuarial assumptions, the same actuarial valuation method has been applied when calculating the LSP obligations recognised in the consolidated statement of financial position.

There were no changes in the methods and assumptions used in preparing the sensitivity analysis from prior year.

14. SHARE CAPITAL

	Number of shares	<i>HK\$'000</i>
Authorised:		
Ordinary share of HK\$0.01		
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	1,500,000,000	15,000
Issued and fully paid:		
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>800,000,000</u>	<u>8,000</u>

BUSINESS REVIEW

We are an engineering consultant in Hong Kong with a focus on the field of infrastructure developments. We have accumulated our expertise in different branches of engineering, covering (i) civil engineering mainly comprising road and structural engineering as well as geotechnical engineering; (ii) traffic engineering; (iii) building engineering; and (iv) landscape architecture.

For the Year, the Group recorded a profit attributable to equity holders of the Company of approximately HK\$28.1 million as compared to the year ended 31 December 2023 during which the Group recorded a profit attributable to equity holders of the Company of approximately HK\$28.2 million, indicating that profits attributable to equity holders of the Company remained stable across the two years.

OUTLOOK

The Group always strives to improve our operation efficiency and profitability of our business. The Group will also proactively seek opportunities to expand our customer base and our market share and undertake more projects which will enhance value to our shareholders.

FINANCIAL REVIEW

Revenue

Our revenue increased to approximately HK\$187.3 million for the Year by approximately HK\$16.9 million or 9.9%, from approximately HK\$170.4 million for the year ended 31 December 2023. This was principally due to an increase in projects awarded during the Year.

Cost of services

Our cost of service increased to approximately HK\$125.2 million for the Year by approximately HK\$15.1 million or 13.8%, from approximately HK\$110.1million for the year ended 31 December 2023. This was principally due to an increase in staff cost of technical staffs and consultancy fee. The escalation in staff costs can be attributed to rising labor expenses and a growing number of technical personnel. Meanwhile, the increase in subconsultancy fees was largely due to our reliance on additional subconsultants for several newly awarded large-scale projects.

Gross profit

During the Year, our Group's gross profit increased to approximately HK\$62.1 million by approximately HK\$1.7 million or 2.9%, from approximately HK\$60.4 million for the year ended 31 December 2023. The increase was mainly due to the increase in projects awarded, which more than offset the impact of rising costs associated with services.

Other income

Other income amounted approximately HK\$3.9 million for the Year, which remain stable comparing to the financial year ended 31 December 2023.

Bargain purchase from business combination

On 11 August 2023, the Group has acquired Team 73 HK Limited (“Team 73”), a landscape architecture company incorporated in Hong Kong with limited liabilities, at a cash consideration of HK\$3,524,000. Team 73 was acquired so as to continue the expansion of the Group’s operations.

Administrative expenses (including provision of expected credit loss allowance)

Our administrative expenses (including provision of expected credit loss allowance) amounted to approximately HK\$32.5 million for the Year, which remain stable comparing to the financial year ended 31 December 2023, as our management implemented cost-reduction strategies on non-essential items throughout the year. This thoughtful approach was focused on improving the company’s cash flow and maintaining financial stability to address any unforeseen challenges in the future, while still enabling us to invest in important areas of our operations.

Income tax expense

Income tax expense increased by approximately HK\$0.3 million or 6.3% from approximately HK\$4.7 million for the year ended 31 December 2023 to approximately HK\$5.0 million for the Year, the increase was mainly due to the increase in taxable profit for the Year.

DIVIDEND POLICY

In deciding whether to propose a dividend and in determining the dividend amount, the following will be taken into account, *inter alia*:

- (i) the general financial condition of the Group;
- (ii) capital and debt level of the Group;
- (iii) future cash requirements and availability for business operations, business strategies and future development needs;
- (iv) any restrictions on payment of dividends that may be imposed by the Group’s lenders;
- (v) the general market conditions; and
- (vi) any other factors that the Board deems appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and any other applicable laws, rule and regulations and amended and restated memorandum and articles of association (the “Articles”) of the Company. The dividend policy of the Company will be reviewed by the Board from time to time and there can be no assurance that a dividend will be proposed or declared in any specific periods.

DIVIDEND

After taking into account the dividend policy of the Company summarised above, the Board does not recommend the payment of final dividend for the Year (2023: nil).

Together with the interim dividend of HK\$0.05625 per ordinary share paid to the Shareholder on 30 September 2024, the total cash dividend for the Year will be HK\$0.05625 (2023: HK\$0.08125) per ordinary share.

INTEREST IN COMPETING INTERESTS

None of the Directors, the controlling shareholders of the Company, or any of their respective close associates (as defined in the GEM Listing Rules) is interested in a business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the Group’s business during the Year, and is required to be disclosed pursuant to rule 11.04 of the GEM Listing Rules.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S SECURITIES

The Board confirms that during the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Except as disclosed herein, the Group did not have any significant investments during the Year and did not have any material acquisition and disposal of subsidiary, associates or joint ventures during the Year.

CAPITAL RISK MANAGEMENT AND FINANCIAL RISK MANAGEMENT

Capital management

Our Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

Gearing ratio is calculated as total borrowings (including payables incurred not in our ordinary course of business) divided by the total equity as at the respective reporting dates.

As at 31 December 2024, the Group's gearing ratio was nil (2023: nil).

Foreign exchange exposure

All of the Group's assets, liabilities and transactions are denominated in Hong Kong dollars. The Directors do not consider that the Group is exposed to any material foreign currency exchange risk. Therefore, no hedging devices or any alternatives have been implemented.

SIGNIFICANT EVENTS

Set out below are the significant events taking place during the Year.

Change of board composition

Changes in information on Directors during the Year are set out below:

Mr. Chan Yu Sum Sam has resigned as an executive Director with effect from 28 May 2024.

Mr. Pang Chun Sing George has been appointed as an independent non-executive Director with effect from 16 July 2024.

EVENTS AFTER THE YEAR

The Group had no significant events from the end of the Year to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

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

The Company's corporate governance practices are based on the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the GEM Listing Rules. To the best knowledge of the Board, except as disclosed herein the Company has complied with the CG Code during the Year and up to the date of this annual announcement.

Mr. Cheung Kwan Tar currently assumes the role of both chairman of the Board and chief executive officer of the Company. The Board considers that both roles being held by Mr. Cheung will provide a strong and consistent leadership to the Company which will facilitate effective planning and efficient management of the Company. Furthermore, having considered Mr. Cheung's extensive experience in the engineering industry, the relationships Mr. Cheung has built with customers and the historical development of the Group, the Board considers that it is beneficial for the Group to have Mr. Cheung continue to act as both chairman and chief executive officer of the Company. In addition, under the supervision by the Board which currently consists of two executive Directors and three independent non-executive Directors, the interests of the Shareholders will be adequately and fairly represented. Therefore, the Board considers the deviation from the code provision C.2.1 of the CG Code is appropriate under such circumstances. As such, the roles of chairman and chief executive officer of the Group were not separated in accordance with code provision C.2.1 of the CG Code.

To the best knowledge of the Board, except for the code provision C.2.1 of the CG Code, the Company has complied with the CG Code during the Year and up to the date of this announcement.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' securities transactions by Directors in respect of the shares of the Company (the "Code of Conduct"). After specific enquires by the Company, all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct during the Year.

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlement to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from Monday, 28 April 2025 to Friday, 2 May 2025, both days inclusive, during which no transfer of shares of the Company will be effected. In the case of shares of the Company, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong no later than 4:30 p.m. on Friday, 25 April 2025.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") on 20 August 2018. No share option has been granted under the Share Option Scheme since its adoption.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this announcement, based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company maintained a sufficient amount of public float for its shares as required under the GEM Listing Rules.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Company's auditor, Grant Thornton Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Grant Thornton Hong Kong 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 Grant Thornton Hong Kong Limited on this preliminary announcement.

AUDIT COMMITTEE

The Group established the Audit Committee on 20 August 2018 with written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and paragraph D.3.3 of the CG Code. The primary duties of our Audit Committee include, among others, (a) making recommendations to our Board on the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; (b) reviewing our financial statements, our periodic reports and accounts and significant financial reporting judgements contained therein; and (c) reviewing our financial controls, internal control and risk management systems. Our Audit Committee comprises three independent non-executive Directors, namely Ms. Chik Wai Chun, Mr. Chan Kai Kow Macksion and Mr. Pang Chun Sing George. Ms. Chik Wai Chun is the chairlady of our Audit Committee.

The annual results of the Company for the Year have been reviewed by the Audit Committee of the Company, which has provided advice and comments thereon.

On behalf of the Board of
Boltek Holdings Limited
Cheung Kwan Tar
Chairman and executive Director

Hong Kong, 28 March 2025

As of the date of this announcement, Mr. Cheung Kwan Tar and Mr. Ng Pak Hung are the executive Directors, and Mr. Chan Kai Kow Macksion, Mr. Pang Chun Sing George and Ms. Chik Wai Chun are the independent non-executive Directors.

This announcement, for which the Directors 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 of Hong Kong Limited 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.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Company Announcements” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.boltekholdings.com.