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GRAND TALENTS GROUP HOLDINGS LIMITED
廣駿集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8516)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

The board of directors (the "**Directors**") of Grand Talents Group Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**", respectively) announces the audited financial results of the Group for the year ended 31 March 2025. This announcement, containing the full text of the 2025 annual report of the Company (the "**2025 Annual Report**"), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM**" and the "**GEM Listing Rules**", respectively) in relation to information to accompany preliminary announcement of annual results. The printed version of the 2025 Annual Report containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company and available for viewing on the Stock Exchange's website at ***www.hkexnews.hk*** and the Company's website at ***www.grandtalentsgroup.com.hk*** in due course in the manner as required by the GEM Listing Rules.

By Order of the Board
Grand Talents Group Holdings Limited
HA Chak Hung
Chairman and Executive Director

Hong Kong, 27 June 2025

As at the date of this announcement, the executive Directors are Mr. HA Chak Hung, Mr. IP Chu Shing and Mr. CHU Jinzhe; the independent non-executive Directors are Dr. FOK Wai Sun, Ms. Liu Yuchao and Ms. TANG Shui Man.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

*This announcement will remain on the "Latest Listed Company Information" page on the Stock Exchange's website at **www.hkexnews.hk** for at least 7 days from the date of its publication. This announcement will also be published on the Company's website at **www.grandtalentsgroup.com.hk**.*

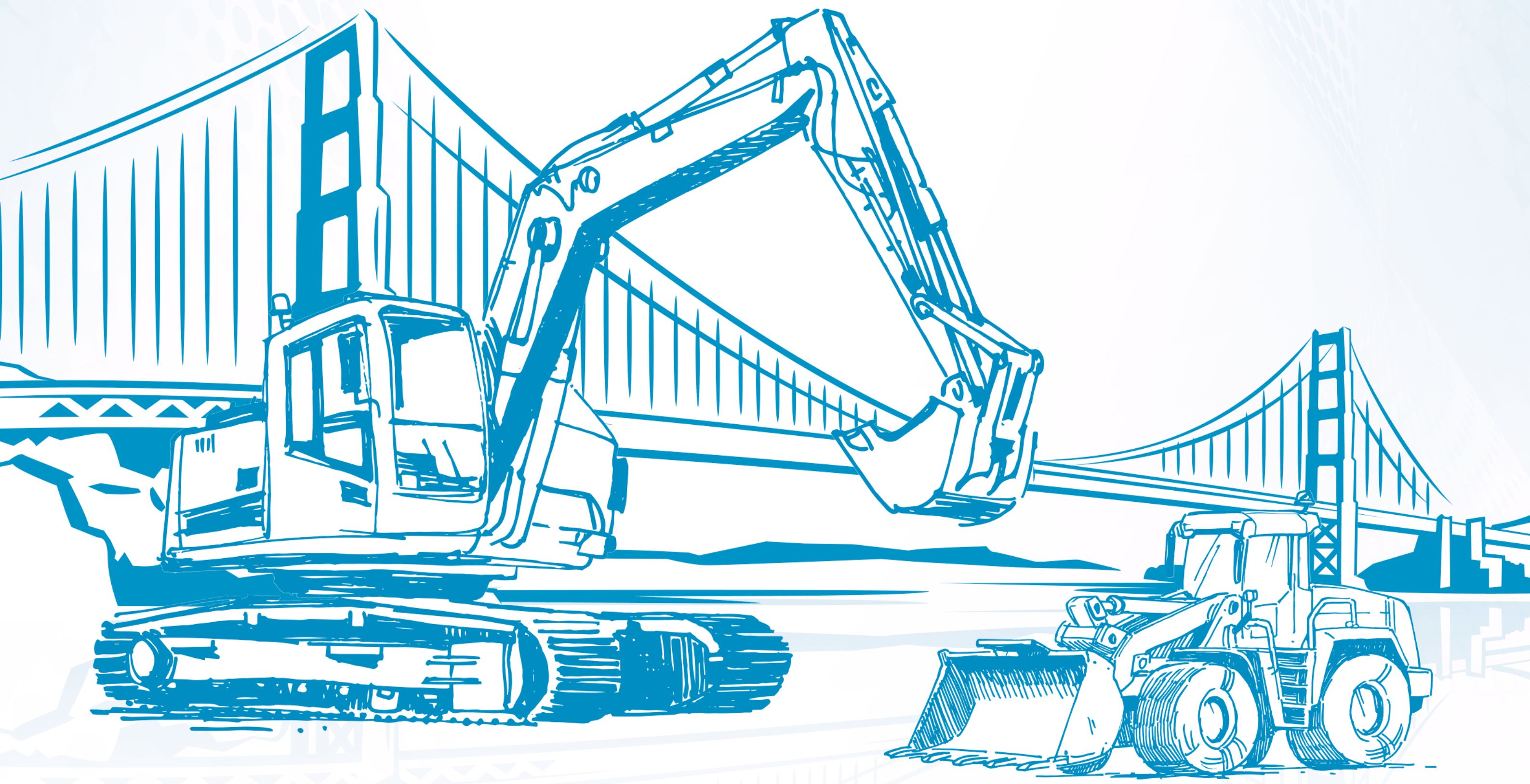
CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*This report, for which the directors (the "**Directors**") of Grand Talents Group Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") 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 report 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 report misleading.*



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BOARD OF DIRECTORS

Executive Directors

Mr. Ha Chak Hung *(Chairman)*
Mr. Ip Chu Shing *(Chief Executive Officer)*
Mr. Chu Jinzhe *(appointed on 25 September 2024)*

Independent Non-executive Directors

Ms. Tang Shui Man
Dr. Fok Wai Sun
Ms. Wu Jing *(retired on 30 July 2024)*
Ms. Liu Yuchao *(appointed on 29 October 2024)*

AUDIT COMMITTEE

Ms. Tang Shui Man *(Chairman)*
Dr. Fok Wai Sun
Ms. Wu Jing *(retired on 30 July 2024)*
Ms. Liu Yuchao *(appointed on 29 October 2024)*

REMUNERATION COMMITTEE

Dr. Fok Wai Sun *(Chairman)*
Ms. Tang Shui Man
Mr. Ha Chak Hung
Ms. Wu Jing *(retired on 30 July 2024)*

NOMINATION COMMITTEE

Ms. Wu Jing *(Chairman) (retired on 30 July 2024)*
Ms. Tang Shui Man
Dr. Fok Wai Sun
Mr. Ha Chak Hung *(Chairman) (re-designated on 29 October 2024)*

COMPANY SECRETARY

Ms. Wong Chi Ling *(CPA, FCCA, FCA)*

AUTHORISED REPRESENTATIVES

Mr. Ha Chak Hung
Ms. Wong Chi Ling

COMPLIANCE OFFICER

Mr. Ha Chak Hung

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office 15, 9/F., Mega Cube
No. 8 Wang Kwong Road
Kowloon
Hong Kong

LEGAL ADVISOR

CFN Lawyers
Units 4101–4104, 41st Floor
Sun Hung Kai Centre
30 Harbour Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKER

Fubon Bank (Hong Kong) Limited

CORPORATE INFORMATION

AUDITOR

OOP CPA & Co.
Certified Public Accountants
Registered Public Interest Entity Auditor
Unit A, 21/F, LL Tower
2–4 Shelley Street
Central, Hong Kong

COMPANY'S WEBSITE

www.grandtalentsgroup.com.hk

STOCK CODE

8516

HIGHLIGHTS

- The revenue of the Group was approximately HK$35.2 million for the year ended 31 March 2025, representing an increase from approximately HK$17.0 million for the year ended 31 March 2024. Such increase mainly due to being awarded the new repair and maintenance work project.

- The gross profit was approximately HK$9.6 million for the year ended 31 March 2025, representing an increase from gross profit of approximately HK$1.1 million for the year ended 31 March 2024. Such increase was mainly due to the Group recorded increase in the revenue.

- The loss attributable to owners of the Company is approximately HK$7.3 million for the year ended 31 March 2025, as compared to loss of approximately HK$15.1 million recorded for the year ended 31 March 2024. Such decrease was mainly due to increase in revenue.

- The board of directors of the Company (the "**Board**") does not recommend the payment of any dividend for the year ended 31 March 2025.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual report of the Company for the year ended 31 March 2025 (the "**Reporting Period**").

BUSINESS REVIEW

The Group is an established subcontractor engaged in the provision of civil engineering works with over fourteen years of experience. The Group principally specialises in repairing and maintaining structures of roads and highways in Hong Kong, with focus on the Kowloon and New Territories region. Since 2013, the Group has extended its services to include civil engineering construction works, including construction drainage systems in Hong Kong.

During the Reporting Period, the Group has undertaken (i) repair and maintenance projects for roads and highways and other infrastructures such as construction of pavilion and drainage systems in Kowloon region; and (ii) civil engineering construction projects. The Hong Kong government has introduced various stimulus packages and infrastructure investment plans, including plans to initiate a significant capital works expenditure on projects in public housing, transportation infrastructure, and urban renewal, in an effort to boost the construction sector. While these government measures have helped improve sentiment in the construction sector, the persistent shortage of labour has affected the construction sector, leading to higher labour costs and, consequently, lower project profit margins for the Group. Despite the challenges, the Group has continued to focus on expanding its business in repair and maintenance works and civil engineering construction projects in Hong Kong.

FINANCIAL REVIEW

For the year ended 31 March 2025, the revenue of the Group was approximately HK$35.2 million representing an increase from approximately HK$17.0 million of the year ended 2024, which was mainly due to being awarded the new repair and maintenance work project. The Group's loss before taxation decreased from approximately HK$15.1 million for the year ended 31 March 2024 to loss before taxation approximately HK$7.3 million for the year ended 31 March 2025, which was mainly due to the increase in revenue.

OUTLOOK

Looking ahead, the Group will continue to focus on the repair and maintenance works, as well as civil engineering construction projects, that it has undertaken in Hong Kong during the Reporting Period.

Although the Hong Kong government's initiative to introduce various stimulus packages and infrastructure investment plans, including significant capital works expenditure on public housing, transportation, and urban renewal projects, has helped improve sentiment in the construction sector, the Group expects low profit margins due to higher costs of operation, including rising labor, material, and subcontracting costs. To address this challenge, the Group will continue adopting more cost-effective construction methods and aiming to complete projects more quickly. Despite the margin pressure, the Group remains optimistic about securing upcoming projects and will continue submitting tenders for both civil engineering and maintenance works in order to generate more profits for the Group and its shareholders (the "**Shareholders**").

APPRECIATION

I would like to express my gratitude on behalf of the Group to all customers, suppliers, subcontractors, business partners and professional parties for their support to our business development. I also take this opportunity to thank the management and employees of the Group for their contribution and commitment throughout the year.

Mr. Ha Chak Hung
Chairman

Hong Kong, 27 June 2025

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board is responsible and has general powers for the management and conduct of our business. Our Board currently consists of five Directors, including two executive Directors and three independent non-executive Directors. The following table sets forth certain information of our Directors:

Name	Age	Present position	Date of joining the Group	Relationship with other Director(s) and senior management
Executive Directors				
Mr. Ha Chak Hung (夏澤虹)	50	Chairman and executive Director	8 June 2010	None
Mr. Ip Chu Shing (葉柱成)	54	Chief Executive Officer and executive Director	8 June 2010	None
Mr. Chu Jinzhe (楚金哲)	35	Executive Director	25 September 2024	None
Independent non-executive Directors				
Ms. Tang Shui Man (鄧瑞文)	45	Independent non-executive Director	21 September 2018	None
Ms. Liu Yuchao (劉玉超)	29	Independent non-executive Director	29 October 2024	None
Dr. Fok Wai Sun (霍惠新)	52	Independent non-executive Director	21 September 2018	None

EXECUTIVE DIRECTORS

Mr. Ha Chak Hung (夏澤虹) ("Mr. Ha"), aged 50, is the Chairman and executive Director of our Group. Mr. Ha was appointed as a Director on 23 October 2017 and was redesignated as our executive Director on 21 September 2018. Mr. Ha is responsible for the overall strategic management and development of our business and operations. Mr. Ha is currently a director of Talent Mart Construction Co., Limited ("**TMC**") and Talent Mark Development Limited ("**TMD**"). He is also a member of the Remuneration Committee and Nomination Committee.

Mr. Ha graduated with a Bachelor of Business Administration from Chu Hai College in January 2000. He also completed a Postgraduate Certificate in Business and Management in University of Bradford in July 2014 through distance learning.

Mr. Ha has over 19 years of experience in the roads and highways management and maintenance industry. Mr. Ha began his career as a sales executive in Wah Lam Construction Co., Limited from 1999 to 2001. He then worked as a sales manager in Hongkong United Dockyards Limited from 2001 to 2004. Later, he worked in Good Intelligent Development Engineering Limited from May 2005 to April 2010 and Mr. Ha's major roles and responsibilities included projects co-ordination, marketing and business development. Throughout the period, he acquired extensive knowledge and expertise in the roads and highway management and maintenance industry by participating in different construction projects.

Mr. Ip Chu Shing (葉柱成) ("Mr. Ip"), aged 54, is the Chief Executive Officer and executive Director of our Group. Mr. Ip was appointed as a Director on 23 October 2017 and was redesignated as an executive Director on 21 September 2018. Mr. Ip is responsible for overseeing our operations, business development, human resources, finance and administration. Mr. Ip is currently a director of TMC and TMD.

Mr. Ip obtained a Bachelor of Science in Civil Engineering and a Master of Science in Civil Engineering from San Jose State University in December 1994 and December 1998 respectively.

Mr. Ip has over 26 years of experience in the civil engineering industry, during which he gathered extensive knowledge of the industry and established close relationships with customers, suppliers and subcontractors alike. Mr. Ip began his career as a site engineer in Kin Wing Engineering Company Limited in September 1994 with his last position held as a project engineer in 1997. He then worked as an assistant engineer in Atkins China Limited from May 1997 to August 1997. From 1997 to 1998, Mr. Ip worked as a project manager in Man Wah General Contractor Company Inc. in the United States. He also worked as a design engineer in T. Y. Lin International Consultant Limited in the United States from 1999 to 2000. From 2000 to 2001, Mr. Ip worked as a transportation engineer in California Department of Transportation in the United States. After working as a project engineer in HUD General Engineering Services Limited from 2001 to 2003, he worked as a project manager in Ki Wan Development Limited from April 2005 to December 2010.

Mr. Chu Jinzhe (楚金哲先生) (Mr. Chu), aged 35, has over ten years of management experience across various industries, such as traditional Chinese medicinal plant cultivation, animal husbandry, and food processing. While his earlier career was primarily focused on the agricultural sector, he developed expertise in versatility and leadership. Upon joining the Company, Mr. Chu will be responsible for developing business opportunities in the People's Republic of China (the "**PRC**").

Currently, Mr. Chu serves as the deputy secretary-general of the Xingchen Health Fund Management Committee* (星辰健康專案基金管理委員會) under the China Ageing Development Foundation* (中國老齡事業發展基金會). He is also the director and executive vice president of Huanuo Agriculture (Shenzhen) Co., Ltd.* (華諾農業(深圳)有限公司), an indirect subsidiary of China National Pharmaceutical Group Corporation* (中國醫藥集團有限公司).

Mr. Chu graduated from Jiangsu Institute of Food and Pharmaceutical Sciences* (江蘇食品藥業學院) in 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Tang Shui Man (鄧瑞文) (Ms. Tang), aged 45, was appointed as our independent non-executive Director on 21 September 2018. She is also the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee. Ms. Tang is responsible for providing independent judgement on issues relating to our strategy, performance, resources and standard of conduct.

Ms. Tang obtained a Bachelor of Arts in Accountancy from The Hong Kong Polytechnic University in June 2003.

* *For identification purpose only*

Ms. Tang worked in Shinewing (HK) CPA Limited from February 2004 to September 2005 with her last position held as an audit semi senior. She then worked in Deloitte Touche Tohmatsu from September 2005 to September 2007 with her last position held as an audit senior. Ms. Tang subsequently worked in Benetton Asia Pacific Limited from October 2007 to January 2009 with her last position held as a financial analyst. She also worked in i.t apparels Limited, a subsidiary of I.T Limited (a company listed on the Main Board of the Stock Exchange (stock code: 0999)) from January 2009 to August 2009 with her last position held as an assistant internal audit manager. She further worked in BWC Capital Markets Limited from September 2009 to July 2010 with her last position held as an internal audit and compliance director. Ms. Tang was an independent non-executive director of China Finance Investment Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 875) from December 2014 to June 2017. Ms. Tang worked in Tang Clansmen Association as an accounting consultant from 2013 to 2023.

Ms. Tang has been a member and fellow member of the Hong Kong Institute of Certified Public Accountants since July 2011 and March 2019, respectively. She has also been a member and fellow member of the Association of Chartered Certified Accountants since October 2007 and October 2012 respectively.

Ms. Liu Yuchao (劉玉超) (Ms. Liu), aged 29, graduated from Changchun Guanghua College* (長春光華學院) in 2019. Ms. Liu has over five years of experience in corporate financing. Ms. Liu has been the deputy financial controller of Beijing Jifu Innovation Investment Company Limited* (北京集富創新投資有限公司) from July 2021 to May 2024. She has been the costing and general ledger accountant of Shanghai Transformation Network Technology Development Company Limited* (上海蜕變網絡科技發展有限公司) from July 2019 to July 2021.

Dr. Fok Wai Sun (霍惠新) ("Dr. Fok"), aged 52, was appointed as our independent non-executive Director on 21 September 2018. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee. Dr. Fok is responsible for providing independent judgment on issues relating to our strategy, performance, resources and standard of conduct.

Dr. Fok obtained a Bachelor of Science in Civil Engineering from San Jose State University in May 1994 and Master of Business Administration in Management from Golden Gate University in April 1995. He later obtained a Bachelor of Science in Quantity Surveying from The University of Reading through distance learning in December 2005. He further obtained a Master of Science in Finance from City University of Hong Kong in November 2006. He continued to pursue his education and graduated with a Doctor of Philosophy in Engineering Management from Neuva Ecija University of Science and Technology in Republic of Philippines through distance learning in June 2010. He also earned Master of Art in Comparative and Public History at The Chinese University of Hong Kong in November 2018 and Graduate Diploma in International Relations at University of London in August 2018.

Dr. Fok worked as an assistant engineer in United Reliance Corporation Limited from July 1995 to March 1996. He then worked as an analyst in Hopewell Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 0054), from January 1997 to June 1998. Dr. Fok later worked as a quantity surveyor in Pui Hing Construction Company Limited from January 1999 to August 1999. He then worked as a project manager in KPA Engineering Limited from March 2000 to August 2000. He subsequently worked as a quantity surveyor/estimator in Lam Geotechnics Limited from September 2000 to February 2002. Dr. Fok also worked as a technical manager in Stanger Asia Limited from May 2002 to November 2012. He has been a senior manager in Castco Testing Centre Limited since December 2012.

* *For identify purpose only*

Dr. Fok was admitted to memberships of the following institutions and bodies:

Name of institution	Membership grade	Active period of membership
Hong Kong Institution of Engineers	Member	August 2016–Present
Hong Kong Concrete Institute	Fellow member	May 2016–December 2018
The Royal Institute of Chartered Surveyors	Professional member	April 2007–April 2008
The Institution of Civil Engineers	Member	March 2006–Present
The Chartered Institute of Building	Member	June 2003–June 2004
The Chartered Institute of Arbitrators	Associate	December 2002–December 2003
The American Society of Civil Engineers	Member	June 2001–December 2018

Dr. Fok has been a certified cost engineer of the Association for Advancement of Cost Engineering and a chartered engineer accredited by Engineering Council in the United Kingdom since February 2002 and April 2006 respectively. Dr. Fok has been certified by the Hong Kong Engineers Registration Board as a Registered Professional Engineer (RPE).

SENIOR MANAGEMENT

The following table sets forth certain information of our senior management:

Name	Age	Present Position	Date of joining us	Relationship with other Director(s) and senior management
Mr. Chan Kwong Ming (陳光明)	64	Senior Site Agent	November 2020	None

Mr. Chan Kwong Ming (陳光明) ("Mr. Chan"), aged 64, was appointed as senior site agent in November 2020. He is responsible for overseeing the implementation, coordination and overall management of the Highways Department term contracts.

Mr. Chan obtained BSc. in Civil Engineering in National Taiwan University in 1986.

Prior to joining the Group, Mr. Chan worked as a site representative in Hong Kong Polly Limited from April 2017 to March 2018. He then worked as senior site agent in China Road & Bridge Endrg. (Hong Kong) Limited from April 2007 to March 2017. He also worked as senior site agent in China Harbour Construction Co. Limited from April 2006 to March 2007.

COMPANY SECRETARY

Ms. Wong Chi Ling (黃子玲) ("Ms. Wong") was appointed as the company secretary on 30 April 2021.

Ms. Wong currently serves as the head of finance and operations of an insurance underwriting agencies company and is responsible for the overall finance, operations and compliance functions of the group companies. She has been an associate member of Hong Kong Institute of Certified Public Accountants since February 1999. Ms. Wong graduated from The Hong Kong Polytechnic University with a bachelor degree of arts in accountancy.

COMPLIANCE OFFICER

Mr. Ha is the compliance officer of our Group. For details of his biographical details, please refer to the paragraph headed "Executive Directors" in this section.

BUSINESS REVIEW

The Group is an established subcontractor engaged in the provision of civil engineering works with over fourteen years of experience. The Group principally specialises in repairing and maintaining structures of roads and highways in Hong Kong, with focus on the Kowloon and New Territories region. Since 2013, the Group has extended its services to include civil engineering construction works, including construction drainage systems in Hong Kong.

During the Reporting Period, the Group has undertaken (i) repair and maintenance projects for roads and highways and other infrastructures such as construction of pavilion and drainage systems in Kowloon region; and (ii) civil engineering construction projects. The Hong Kong government has introduced various stimulus packages and infrastructure investment plans, including plans to initiate a significant capital works expenditure on projects in public housing, transportation infrastructure, and urban renewal, in an effort to boost the construction sector. While these government measures have helped improve sentiment in the construction sector, persistent shortage of labour has affected the construction sector, leading to higher labour costs and, consequently, lower project profit margins for the Group. Despite the challenges, the Group has continued to focus on expanding its business in repair and maintenance works and civil engineering construction projects in Hong Kong.

FINANCIAL REVIEW

Revenue

The Group's revenue principally represented income derived from the provision of civil engineering works such as management and maintenance of roads and highways in Hong Kong and construction projects.

The revenue of the Group was approximately HK$35.2 million for the year ended 31 March 2025, representing an increase from approximately HK$17.0 million for the year ended 31 March 2024. Such increase was mainly due to the award of a new repair and maintenance works project.

Cost of revenue

The cost of revenue primarily consists of staff costs, sub-contracting fees, and construction materials and supplies. The cost of revenue increased by approximately 61.3% from approximately HK$15.8 million for the year ended 31 March 2024 to approximately HK$25.5 million for the year ended 31 March 2025, which was mainly attributable to the increase in staff costs, sub-contractor cost and material costs.

Gross profit and gross profit margin

The gross profit was approximately HK$1.1 million for the year ended 31 March 2024 and the gross profit was HK$9.6 million for the year ended 31 March 2025. The gross profit margin was approximately 6.7% in FY2024 and gross profit margin approximately 27.4% in FY2025. The increase in our gross profit and increase in gross profit margin was primarily due to the Group recorded increase in revenue.

Other income

The Group recorded other income of approximately HK$0.1 million during the year ended 31 March 2025 (year ended 31 March 2024: approximately HK$0.2 million). The decrease was mainly due to the absence of miscellaneous income recorded for the year ended 31 March 2024 and a decrease in bank interest income, partially offset by a one-off gain of HK$120,000 from the release of long outstanding accruals.

Administrative expenses

Administrative expenses consist primarily of auditor's remunerations, depreciation, directors' remuneration, entertainments, legal and professional fee, motor vehicles expenses, and staff costs. The administrative expenses of the Group was approximately HK$8.5 million for the year ended 31 March 2025, representing a decrease from approximately HK$12.5 million for the year ended 31 March 2024. Such decrease was mainly due to decrease in salary expenses.

Finance costs

The finance costs of the Group was approximately HK$1.3 million for the year ended 31 March 2025, representing an increase from approximately HK$1.0 million for the year ended 31 March 2024. Such increase was mainly due to an increase in other loan interest.

Income tax

Income tax represents income tax paid or payable by us, at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction our Group operates or domiciles and deferred tax. We had no tax payable in other jurisdiction other than Hong Kong during the years ended 31 March 2024 and 2025.

Loss for the year

As a result of the foregoing, the Group's loss decreased from loss of approximately HK$15.1 million for the year ended 31 March 2024 to a loss of approximately HK$7.3 million for the year ended 31 March 2025. Such decrease was mainly due to the increase in revenue.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and financial resources and capital structure

The Group has been maintaining its corporate finance and risk management during the year ended 31 March 2025.

As at 31 March 2025, the Group had net current assets of approximately HK$7.0 million (31 March 2024: approximately HK$10.6 million), of which the cash and cash equivalents were approximately HK$0.5 million (31 March 2024: approximately HK$0.9 million). The Group's current ratio as at 31 March 2025 is approximately 1.4 times (31 March 2024: approximately 1.6 times). The gearing ratio as at 31 March 2025 was approximately 21.8% (as at 31 March 2024: approximately 1.7%) which is calculated on the basis of the Group's other loan and lease liabilities over the total equity.

The lease liabilities of the Group amounted to approximately HK$0.1 million as at 31 March 2025 (31 March 2024: approximately HK$0.2 million). The Group had approximately HK$1.5 million bank and other borrowings during the years ended 31 March 2025 (31 March 2024: nil) and at the end of each of the reporting period.

Treasury Policies

The Group adopts centralised financing and treasury policies in order to ensure its funding is utilized efficiently. The Group also regularly monitors its liquidity requirements, its compliance with lending covenants and its relationship with bankers to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is susceptible to material risks associated with the Group's business, including but not limited to the following:

I. the Group relies on public sector projects which by their nature are only awarded by a limited number of customers who are normally main contractors of the Government projects

II. the Group's operations may be affected by adverse weather conditions and are subject to other construction risks

III. the Group may not be able to bill and receive the full amounts due from customers for contract work

IV. the amount of revenue that the Group is able to derive from a project may be higher or lower than the original contract sum due to factors such as variation orders

V. the Group is exposed to its customers' credit risks and its liquidity position may be adversely affected if its customers fail to make payment on time or in full

VI. Error or inaccurate estimation of project duration and costs when determining the tender price may result in substantial loss incurred by the Group

For further details, please refer to the section headed "Risk Factors" of the prospectus of the Company dated 29 September 2018 (the "**Prospectus**").

CAPITAL STRUCTURE

The Group's shares were successfully listed on GEM of the Stock Exchange on 15 October 2018 ("**Listing Date**"). There has been no change in the capital structure of the Group since the Listing Date and up to the date of this report.

CAPITAL EXPENDITURE

Capital expenditure primarily comprised of purchase of construction equipment, furniture fixtures and equipment, computers and motor vehicles. The capital expenditure was funded by net proceeds from the Listing, internal resources and lease liabilities during the years ended 31 March 2024 and 2025.

The following sets forth the Group's capital expenditure as at the dates indicated:

	As at 31 March 2025 HK$'000	As at 31 March 2024 HK$'000
Property, plant and equipment	**170**	—
Right-of-use assets	**140**	330

CONTINGENT LIABILITIES

(a) On 19 February 2019, a writ of summons and statement of claim was served by the plaintiff against the Group in respect of the construction services rendered to the Group. The claim is for a sum of approximately HK$1,644,000 plus interests and costs. In the opinion of the directors of the Company, the amount claimed is not reasonable and the Group does not agree with this claim. After obtaining legal advice, the Group considers that the possibility of a cash outflow is remote.

During the year ended 31 March 2022, the plaintiff filed a mediation notice to the District Court in an attempted to resolve the disputes through mediation and the Group also agreed to the said proposal. However, due to the COVID-19 pandemic and the suspension of court services, there was no significant progress.

In late December 2022, the Group filed several supplemental witness statements and subsequent to the end of the reporting period, filed and exchanged expert witness report in March 2023 and April 2023 to justify the quality of work performed by the plaintiff are poor and not satisfactory. The Group and the Plaintiff attended Trial between 16 to 20 December 2024 and 28 January 2025. It is expected that judgment will be handed down by the end of July 2025.

(b) On 24 September 2024, a Writ of Summons and Statement of Claim was served by the Plaintiffs against the Group in respect of construction services rendered to the Group. The claim is for the sum of approximately HK$2,533,000 plus interests and costs. In the opinion of the directors of the Group, the amount claimed is unreasonable and the Group does not agree with this claim. After obtaining legal advice, the Group considers that the possibility of cash outflow is remote. On 6 June 2025, the Plaintiffs served their Reply and Defence to Counterclaim.

(c) On 18 February 2025, the Group commenced legal proceedings against a Defendant for an outstanding payment of HKD1,152,106.44 in respect of construction services rendered to the Defendant. Judgment was granted in favour of the Group on 16 April 2025.

CHARGE ON GROUP ASSETS

As at 31 March 2024 and 2025, the Group did not have any charged assets.

SEGMENT INFORMATION

The Group principally engaged in the provision of civil engineering construction works and repair and maintenance works.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group had 29 employees in total (31 March 2024: 44).

The total staff cost (including remuneration of Directors and mandatory provident funds contributions) for the year ended 31 March 2025 amounted to approximately HK$8.9 million (2024: approximately HK$10.8 million).

The Directors and senior management receive compensation in the form of director fees, salaries, benefits in kind and/or discretionary bonuses with reference to those paid by comparable companies, time commitment and the performance of the Group. The Group also reimburses the Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Group regularly reviews and determines the remuneration and compensation packages of the Directors and senior management by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group. The Group is dedicated to providing training programs for new employees and regular on-the-job trainings to employees to enhance their skills and know-how.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no significant investments held, material acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the year ended 31 March 2025. The Group did not have other plan for material investments or capital assets as at 31 March 2025.

IMPORTANT EVENTS AFFECT THE GROUP DURING THE FINANCIAL YEAR

(1) Placing of New Shares Under General Mandate

On 15 November 2024, the Company and Pinestone Securities Limited (the "**Placing Agent**"), entered into the placing agreement ("**Placing Agreement**"), pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, of up to 27,404,000 placing shares ("**Placing Share(s)**"), to not less than six placees who and whose ultimate beneficial owners shall be independent third parties at the placing price of HK$0.12 per Placing Share ("**2024 Placing**"). The closing price of the Company's shares on 15 November 2024 was HK$0.12.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

On 10 December 2024, all the conditions set out in the Placing Agreement have been fulfilled. The Placing was completed on 10 December 2024 in accordance with the terms of the Placing Agreement. An aggregate of 27,404,000 Placing Shares, representing approximately 16.67% of the issued share capital of the Company immediately after completion of the Placing, have been successfully placed to not less than six Placees at the Placing Price of HK$0.12 per Placing Share.

The net proceeds from the 2024 Placing (after deduction of commission and other expenses of the Placing) were approximately HK$3.10 million, which were intended to be used for general working capital of the Group. As at the date of this annual report, the net proceeds had been fully utilized as intended.

Details of the 2024 Placing and Placing Agreement are set out in the announcements dated 15 November 2024, 3 December 2024 and 10 December 2024.

(2) Proposed Capital Reorganisation and Proposed Rights Issue

Reference is made to the announcements of the Company dated 23 May 2025, 4 June 2025, 5 June 2025, 17 June 2025 and 24 June 2025 (the "**Announcements**").

(a) On 23 May 2025, the Company proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares with par value of HK$0.10 each be consolidated into one (1) Consolidated Share with par value of HK$1.00 each:

(b) On 23 May 2025, the Company propose that (i) the issued share capital of the Company will be reduced by cancelling the paid up capital to the extent of HK$0.99 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK$1.00 to HK$0.01; and (ii) immediately following the Capital Reduction becoming effective, each authorised but unissued Consolidated Shares will be subdivided into 100 authorised but unissued New Ordinary Shares with par value of HK$0.01 each; and

(c) On 23 May 2025, the Company proposes to raise gross proceeds of up to approximately HK$27.5 million before expenses by way of Rights Issue of up to 41,106,000 Rights Shares at the Subscription Price of HK$0.67 per Rights Share on the basis of five (5) Rights Shares of every two (2) New Ordinary Shares held on the Record Date. On 23 May 2025, the Company and Pinestone Securities Limited entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placees.

Details of the Proposed Capital Reorganisation and proposed rights Issue are set out in the Announcements.

Save as disclosed above, there were no other significant events subsequent to year end and up to the date of this announcement.

DIVIDEND

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

FOREIGN CURRENCY EXPOSURE

Since the Group's business activities are mainly operated in Hong Kong and mainly denominated in Hong Kong dollars, the Directors consider that the Group's risk in foreign exchange is insignificant.

SIGNIFICANT INVESTMENT

At 31 March 2025, the Group did not hold any significant investment.

USE OF PROCEEDS FROM PLACING OF NEW SHARES UNDER SPECIFIC MANDATE AND GENERAL MANDATE

Placing under General Mandate

References are made to the announcements of the Company dated 15 November 2024, 3 December 2024 and 10 December 2024 (the "**2024 Announcements**").

The net proceeds from the 2024 Placing (after deduction of commission and other expenses of the Placing) were approximately HK$3.10 million. During the year ended 31 March 2025, the Company had applied the net proceeds according to the intentions previously disclosed in the 2025 Announcement.

Details of the use of the net proceeds from the 2024 Placing for the year ended 31 March 2025 are as follows:-

	Planned use of net proceeds as stated in the Announcement (HK$'000)	**Actual use of net proceeds up to 31 March 2025** (HK$'000)	**Net proceeds utilised during the year ended 31 March 2025** (HK$'000)	**Unutilised net proceeds as at 31 March 2025** (HK$'000)
General working capital	3,100	3,100	3,100	—
Total	3,100	3,100	3,100	—

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Board is pleased to present its corporate governance report of the Company for the year ended 31 March 2025, pursuant to Rule 18.44(2) of the GEM Listing Rules.

The Company has made continued efforts to incorporate the key elements of sound corporate governance in its management structures and internal control procedures. The Company is committed to maintaining a high standard of corporate governance, the principles of which serve to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, and to ensure that affairs are conducted in accordance with applicable laws and regulations.

The Board believes that good and effective corporate governance practices are keys to obtaining and maintaining the trust of the shareholders of the Company (the "**Shareholders**") 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.

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for performing the corporate governance duties as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the GEM Listing Rules, which includes developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of Directors, and reviewing the Company's compliance with the code provision in the CG Code and disclosures in this annual report.

The Board is of the view that the Company has complied with all the principles and applicable code provisions of the CG Code throughout the year ended 31 March 2025.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.68 of the GEM Rules in respect of directors' securities transactions ("**Required Standard Dealing**").

Specific enquiry has been made with all the Directors and the Directors have confirmed that they have complied with the Required Standard Dealing throughout the year ended 31 March 2025.

The Company has adopted a compliance manual for securities transactions by senior management as written guidelines no less exacting than the Required Standard of Dealing for relevant employees ("**Written Guidelines**") in respect of dealing in the Company's shares.

During the year ended 31 March 2025, the Company is not aware of any incident of non-compliance of the Required Standard Dealing and Written Guidelines by the relevant employees.

BOARD OF DIRECTORS

The Board oversees the Group's businesses, strategic decisions and performance and should take decisions objectively in the best interests of the Company.

The Board regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time in performing them.

Board Composition

The composition of the Board during the year ended 31 March 2025 and up to the date of this annual report is set out below:

Executive Directors

Mr. Ha Chak Hung *(Chairman)*
Mr. Ip Chu Shing *(Chief Executive Officer)*
Mr. Chu Jinzhe *(appointed on 25 September 2024)*

Independent non-executive Directors

Ms. Tang Shui Man
Dr. Fok Wai Sun
Ms. Wu Jing *(retired on 30 July 2024)*
Ms. Liu Yuchao *(appointed on 29 October 2024)*

The biographical information of the Directors as at the date of this annual report are set out in the section headed "Biographies of Directors and Senior Management" on pages 8 to 12 of this annual report.

The relationships between the Directors are also disclosed in the respective Director's biography under the section "Biographies of Directors and Senior Management" on pages 8 to 12 of this annual report.

The Company has taken out director liability insurance to cover liabilities arising from legal action against the Directors.

Compliance Officer

Mr. Ha Chak Hung, an executive Director and Chairman, is also the compliance officer of the Company.

Attendance Records of Directors and Committee Members

The attendance records of each Director at the Board and Board Committee meetings and annual general meeting held during the year ended 31 March 2025 are set out in the table below:

	Attendance/Number of Meetings				
Name of Director	**Board**	**Audit Committee**	**Nomination Committee**	**Remuneration Committee**	**Annual General Meeting**
Mr. Ha Chak Hung	7/7	N/A	1/1	3/3	1/1
Mr. Ip Chu Shing	7/7	N/A	N/A	N/A	1/1
Mr. Chu Jinzhe *(appointed on 25 September 2024)*	4/7	N/A	N/A	N/A	N/A
Ms. Tang Shui Man	7/7	5/5	1/1	3/3	1/1
Dr. Fok Wai Sun	7/7	5/5	1/1	3/3	1/1
Ms. Wu Jing *(retired on 30 July 2024)*	0/7	0/1	N/A	N/A	0/1
Ms. Liu Yuchao *(appointed on 29 October 2024)*	3/7	3/3	N/A	N/A	N/A

Besides the above-mentioned Board meetings, the Chairman also held a meeting with the independent non-executive Directors ("**INEDs**") without the presence of other executive Directors during the year ended 31 March 2025.

Chairman, Chief Executive Officer and Executive Director

The Board comprises three executive Directors, Mr. Ha Chak Hung, Mr. Ip Chu Shing and Mr. Chu Jinzhe. Mr. Ha serves as the Chairman of the Board, providing leadership and overseeing the effective functioning of the Board as well as the formulation of the Group's corporate strategies. Mr. Ip serves as the Chief Executive Officer and is responsible for the overall management and day-to-day operations of the Group. Mr. Chu, as an executive Director, is primarily responsible for developing business opportunities in the People's Republic of China.

INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with Rules 5.05A, 5.05(1) and (2) of the GEM Listing Rules, the Company has appointed three INEDs representing at least one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. As such, there is a strong element in the Board to provide independent judgment.

The Company has entered into a letter of appointment with each of the INEDs for initially a fixed term of three years commencing from the Listing Date and will continue thereafter until terminated by either party giving not less than three months' written notice to the other party.

The Company has received an annual confirmation of independence from each independent non-executive Director pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers the INEDs are independent during the year ended 31 March 2025 and as at the date of this annual report.

TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each executive and non-executive Director has entered into a service agreement with the Company for initially a fixed term of three years commencing from the Listing Date or date of appointment and will continue thereafter until terminated by either party giving not less than three months' written notice to the other party.

The service agreements and/or letters of appointment of the Directors are subject to termination in accordance with their respective terms. They can be renewed in accordance with the articles of association of the Company ("**Articles**") and the applicable GEM Listing Rules.

Pursuant to Article 108 of the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. A retiring Director shall be eligible for re-election. In addition, under Article 112, any Director appointed by the Board to fill a casual vacancy or as an additional Director shall hold office only until the next annual general meeting of the Company after his or her appointment and shall then be eligible for re-election at that meeting. Such Directors shall not be counted in determining the number of Directors who are to retire by rotation under Article 108.

Also, the Directors to retire by rotation shall include any Director who wishes to retire and not to hold office himself for re-election. Any Director who has not been subject to retirement by rotation in the three years preceding the annual general meeting shall retire by rotation at such annual general meeting. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment, and between persons who became or were last re-elected Directors on the same day, those to retire shall be determined by lot.

Accordingly, Mr. Ha Chak Hung, Mr. Ip Chu Shing, Mr. Chu Jinzhe and Ms. Liu Yuchao will retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

At the forthcoming annual general meeting of the Company, separate ordinary resolutions will be put forward to the shareholders of the Company in relation to the proposed re-election of Mr. Ha Chak Hung, Mr. Ip Chu shing and Mr. Chu Jinzhe as executive Directors and Ms. Liu Yuchao as independent non-executive Director.

In accordance with code provision B.2.2 of the CG Code, every director including those appointed for a specific term shall be subject to retirement by rotation at least once every three years.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board supervises the management of the business and affairs of the Company and ensures that it is managed in the best interests of the Shareholders as a whole while taking into account the interest of other stakeholders. The Board is primarily responsible for formulating the business strategy, reviewing and monitoring the business performance of the Group, approving the financial statements and annual budgets as well as directing and supervising the management of the Company. Execution of operational matters and the powers thereof are delegated to the management by the Board with clear directions. The Board is regularly provided with management report to give a balanced and understandable assessment of the performance, position, recent development and prospect of the Group in sufficient details.

The Board is also responsible for the corporate governance functions under code provision A.2.1 of the CG Code. The Board has reviewed and discussed the corporate governance policy of the Group and is satisfied with the effectiveness of the corporate governance policy.

DIRECTORS TRAINING AND PROFESSIONAL DEVELOPMENT

To assist the Directors' continuing professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills. The Directors also participate in continuous professional development programmes such as external seminars and forums organised by qualified professionals, to develop and refresh their knowledge as to the industry and skills in relation to their contribution to the Board.

All the Directors understand the importance of continuous professional development and are committed to participate in any suitable training to develop and refresh their knowledge and skills.

During the year ended 31 March 2025, all the Directors participated in a training seminar regarding the latest developments and changes in relation to the GEM Listing Rules and corporate governance.

The Company has maintained the training record in respect of each Director. There are also arrangements in place for providing continuing briefing and professional development to Directors by the Company whenever necessary.

A summary of training received by Directors for the year ended 31 March 2025 according to the records provided by the Directors is as follows:

	Type of continuous professional development	
Name of Directors	**Receiving updates and briefings from the Company/self-study**	**Attending seminars and trainings**
Mr. Ha Chak Hung	√	N/A
Mr. Ip Chu Shing	√	N/A
Mr. Chu Jinzhe *(appointed on 25 September 2024)*	√	N/A
Ms. Tang Shui Man	√	N/A
Dr. Fok Wai Sun	√	N/A
Ms. Wu Jing *(retired on 30 July 2024)*	N/A	N/A
Ms. Liu Yuchao *(appointed on 29 October 2024)*	√	N/A

BOARD COMMITTEES

The Board has established three Board committees, namely, the audit committee, the remuneration committee and the nomination committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with respective written terms of reference. All the Board committees should report to the Board on their decisions and works. The practices, procedures and arrangements of conduct of committee meetings follow in line with, so far as practicable, those of the Board meetings and the respective terms of reference of the committees.

All Board committees are provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstance, at the Company's expense.

Audit Committee

The audit committee was established on 21 September 2018 with its written terms of reference in compliance with the CG Code. The primary duties of the audit committee are to review and supervise our financial reporting process and internal control system, nominate and monitor external auditors and to provide advice and comments to the Board on matters related to corporate governance.

During the year ended 31 March 2025, the audit committee consists of three independent non-executive Directors, being Ms. Tang Shui Man (Chairman), Ms. Liu Yuchao and Dr. Fok Wai Sun. As at the date of this annual report, the audit committee consists of three independent non-executive Directors, being Ms. Tang Shui Man (Chairman), Ms. Liu Yuchao (appointed on 29 October 2024) and Dr. Fok Wai Sun. None of the members of the audit committee is a former partner of the existing external auditor of the Company, OOP CPA & Co..

During the year ended 31 March 2025, four audit committee meetings were held on 28 June 2024, 12 November 2024, 19 November and 29 November 2024 to review the annual results for the year ended 31 March 2024, and the interim results for the six months ended 30 September 2024 of the Company and its subsidiaries respectively and other related matters.

Subsequent to the year ended 31 March 2025, the audit committee met on 27 June 2025 and reviewed (i) the Group's audited consolidated financial statements for the year ended 31 March 2025, with a recommendation to the Board for approval; (ii) the Group's financing and accounting policies; (iii) the Group's internal control system and risk management functions and (iv) recommended to the Board for consideration the reappointment of OOP CPA & Co. as the Company's external auditor at the annual general meeting.

Remuneration Committee

The remuneration committee was established on 21 September 2018 with its written terms of reference in compliance with the CG Code. The primary duties of the remuneration committee are to make recommendations to the Board on the remuneration of all Directors and senior management and determine, with delegated responsibilities, the remuneration package of individual Director and senior management.

During the year ended 31 March 2025, the remuneration committee consists of one executive Director, namely Mr. Ha Chak Hung and two independent non-executive Directors, being Dr. Fok Wai Sun (Chairman) and Ms. Tang Shui Man. As at the date of this annual report, the remuneration committee consists of one executive Director, namely Mr. Ha Chak Hung and two independent non-executive Directors, being Dr. Fok Wai Sun (Chairman) and Ms. Tang Shui Man.

During the year ended 31 March 2025, three remuneration committee meetings were held on 28 June 2024, 25 September 2024 and 29 October 2024, the remuneration committee held a meeting to review and consider the remuneration packages of appointed executive Director, independent non-executive Director and to review and consider the remuneration packages of individual executive directors and senior management for the year ended 31 March 2025, share schemes under Chapter 23 of the GEM Listing Rules and other related matters.

Subsequent to the year ended 31 March 2025 and up to the date of this report, the remuneration committee met on 27 June 2025 to discuss the remuneration package of individual directors and senior management of the Company for the year ending 31 March 2026.

The Directors and senior management receive compensation in the form of director fees, salaries, benefits in kind and/or discretionary bonuses with reference to those paid by comparable companies, time commitment and the performance of the Group. The Group also reimburses the Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Group regularly reviews and determines the remuneration and compensation packages of the Directors and senior management by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group.

Nomination Committee

The nomination committee was established on 21 September 2018 with its written terms of reference in compliance with the code provisions of the CG Code. The primary duties of the nomination committee are to make recommendations to the Board regarding candidates to fill vacancies on the Board and/or in senior management, review the structure, size and composition of the Board, assess the independence of the independent non-executive Directors and make recommendations to the Board on re-appointment of Directors.

During the year ended 31 March 2025, the nomination committee consists one executive Director, namely Mr. Ha Chak Hung (Chairman) and two independent non-executive Directors, being Ms. Tang Shui Man and Dr. Fok Wai Sun. As at the date of this annual report, the nomination committee consists of one executive Director, namely Mr. Ha Chak Hung (Chairman) and two independent non-executive Directors, being Ms. Tang Shui Man and Dr. Fok Wai Sun.

In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess the Directors' independence annually with regards to all relevant factors related to the independent non-executive Directors including the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of the other Directors.

The implementation and effectiveness of the above mechanism shall be reviewed by the Board on an annual basis.

During the year ended 31 March 2025, one nomination committee meetings were held on 28 June 2024, the nomination committee held a meeting to review the independence of independent non-executive Directors and composition of the Board. Subsequent to the year ended 31 March 2025, the nomination committee met on 27 June 2025 to discuss and recommend to the Board regarding candidates to fill vacancies on the Board and/or in the senior management.

BOARD NOMINATION POLICY

The Company has adopted a Board Nomination Policy for the Nomination Committee to consider and make recommendations to Shareholders for election as Directors at general meetings or appoint as Directors to fill casual vacancies.

Selection Criteria

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

(1) reputation for integrity;

(2) accomplishment and experience in the business in which the Group is engaged in;

(3) commitment in respect of available time and relevant interest;

(4) diversity in all its aspects, including but not limited to race, gender, age (18 years or above), educational background, professional experience, skills and length of service;

(5) qualifications which include professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;

(6) the number of existing directorships and other commitments that may demand the attention of the candidate;

(7) requirement for the Board to have Independent Non-executive Directors in accordance with the GEM Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in Rules 5.09 of the GEM Listing Rules;

(8) Board Diversity Policy of the Company and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board; and

(9) such other perspectives appropriate to the Company's business.

Director Nomination Procedure

Subject to the provisions in the Articles of Association of the Company and the GEM Listing Rules, if the Board recognises the need for an additional Director or a member of the senior management, the following procedure will be followed:

(1) The Nomination Committee and/or Board will identify potential candidates based on the criteria as set out in the selection criteria, possibly with assistance from external agencies and/or advisors;

(2) The Nomination Committee and/or the Company Secretary of the Company will then provide the Board with the biographical details and details of the relationship between the candidate and the Company and/or Directors, directorships held, skills and experience, other positions which involve significant time commitment and any other particulars required by the Listing Rules, the Companies Law of the Cayman Islands and other regulatory requirements for any candidate for appointment to the Board;

(3) The Nomination Committee would then make recommendation to the Board on the proposed candidate(s) and the terms and conditions of the appointment;

(4) The Nomination Committee should ensure that the proposed candidate(s) will enhance the diversity of the Board, being particularly mindful of gender balance;

(5) In the case of the appointment of an Independent Non-executive Director, the Nomination Committee and/or the Board should obtain all information in relation to the proposed Director to allow the Board to adequately assess the independence of the Director in accordance with the factors set out in Rule 5.09 of the GEM Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time; and

(6) The Board will then deliberate and decide on the appointment based upon the recommendation of the Nomination Committee.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board and is available on the website of the Company. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Boards maintains a balanced diverse profit. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

During the year ended 31 March 2025 and as at the date of this annual report, the Board is comprised of members with a diverse range of expertise, including management and maintenance, civil engineering, finance and accounting and sales and marketing. The Board is also comprised of individuals from different age group and genders. As such, the Board considers that its current board composition is diversified with appropriate balanced professional background, skill and experience, and has achieved gender diversity in respect of the Board.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

Gender Ratio in the Workforce

The Company values gender diversity across all levels of the Group. In terms of employment, the Group insists on the principle of fairness and equal treatment regardless of citizenship, nationality, race, gender, religious belief and cultural background, and does not impose any restrictive requirements on gender, ethnicity, nationality and region. The gender ratio in the workforce (including senior management) in set out in the section headed "Employment and Labour Practices — Employment conditions" in the Environment, Social and Governance Report of this annual report. The Company will continue to take steps to promote gender diversity at all levels of the Group, including but not limited to the Board and the senior management levels.

DIVIDEND POLICY

The Company has adopted a Dividend Policy that aims to provide guidelines for the Board to determine whether dividends are to be declared and paid to the shareholders and the level of dividend to be paid. Under the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among others,

(1) the Group's actual and expected financial performance;

(2) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;

(3) retained earnings and distributable reserves of the Company and each of the members of the Group;

(4) the Group's liquidity position;

(5) interest of shareholder;

(6) taxation consideration;

(7) potential effect on creditworthiness;

(8) the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and

(9) any other factors that the Board deems appropriate.

The declaration and payment of dividends by the Company shall remain to be determined at the sole discretion of the Board and is also subject to any restrictions under the Companies Law of the Cayman Islands, the GEM Listing Rules, the laws of Hong Kong and the Company's Memorandum and Articles of Association and any other applicable laws and regulations. The Company does not have any pre-determined dividend distribution ratio. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including production, procurement, marketing, finance, human resources, information technology. Review of the Company's risk management and internal control systems has been conducted annually to confirm that control policies are properly complied with by each department.

All departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. The management, in coordination with department heads, assess the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress. The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 March 2024.

The Company does not maintain an internal audit unit. Given the scale and complexity of operations, the Board considers that the current structure is sufficient to maintain effective internal controls. The Board has invested resources to enhance the internal control system and to take active steps in addressing the recommendation of the internal control system review in the management letter from the external auditors during the audit process.

During the year ended 31 March 2025, the Board reviewed the effectiveness of the Group's risk management and internal control systems, including the financial, operational and compliance controls, and considered that such systems are effective and adequate.

The Company has developed its disclosure policy which provides a general guide to the Company's directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Whistleblowing Policy and Anti-Corruption Policy

The Board adopted a whistleblowing policy (the "**Whistleblowing Policy**") in April 2022. The purpose of the Whistleblowing Policy is to commit to the highest possible standards of openness, probity and accountability. It provides the employees of the Group with protection, support, reporting channels and guidance on whistleblowing. The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to designated officers and the Audit Committee. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the year ended 31 March 2025 has been discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

Anti-corruption Policy

The Board adopted an anti-fraud and gifts and kickbacks policy (the "**Anti-corruption Policy**") in April 2022. The Group is committed to preventing, detecting and reporting fraud, including fraudulent financial reporting. The Anti-corruption Policy applies to the Directors, officers and employees of the Group. The Group encourages all of its business partners, including joint venture partners, associated companies, contractors and suppliers to abide by the principles of the Anti-corruption Policy. In the Anti-corruption Policy, fraud is defined as acts such as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. For practical purposes, fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party. The Anti-corruption Policy forms an integral part of the Group's corporate governance framework. The Anti-corruption Policy sets out the specific behavioural guidelines that the Group's personnel and business partners must follow to combat corruption. It demonstrates the Group's commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. The Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

Handling and dissemination of inside information

The Group has in place a policy on disclosure of inside information which sets out the procedures and internal controls for handling and dissemination of inside information. The policy provides guidelines to the Directors, officers and all relevant employees of the Group to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information.

Key procedures in place include:

- defines the requirements of periodic financial and operational reporting to the Board and Company Secretary to enable them to assess inside information and make timely disclosures, if necessary;

- controls the access to inside information by employees on a need-to-know basis, and safeguarding the confidentiality of the inside information before it is properly disclosed to public; and

- procedures of communicating with the Group's stakeholders, including shareholders, investors, analysts, etc. in ways which are in compliance with the Listing Rules.

The Group has also established and implemented procedures to handle enquiries from external parties related to the market rumours and other Group's affairs.

To avoid uneven dissemination of inside information, the dissemination of inside information of the Company shall be conducted by publishing the relevant information on the Stock Exchange's website and the Company's website.

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

All Directors acknowledge their responsibilities to prepare the Group's consolidated financial statements for the year ended 31 March 2025 to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that year. The auditor has indicated some material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. The Group incurred a loss before taxation of approximately HK$7.3 million and reported an operating cash outflow of approximately HK$4.8 million. As of that date, the Group had bank and other borrowings of approximately HK$1.5 million, trade and other payables of approximately HK$8.6 million and amounts due to shareholders of approximately HK$10.0 million. These conditions, along with other matters as set forth in Note 3(b)(ii) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The auditor's opinion is not modified in respect of this matter.

The Directors, having made appropriate enquiries to the circumstances and taken into account certain plans and measures, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and hence decide that it is appropriate to prepare the financial statements on a going concern basis. For details of plans and measures taken by the Directors, please refer to note 3(b)(ii) to the consolidated financial statements in this annual report.

The responsibilities of the external auditors about their financial reporting are set out in the independent auditor's report attached to the Company's consolidated financial statements for the year ended 31 March 2025 in this report.

AUDITOR'S REMUNERATION

During the year ended 31 March 2025, the Company engaged OOP CPA & Co. ("**OOP**") as the external auditor. The fees in respect of audit and non-audit services (excluding disbursement fees) provided by OOP for the year ended 31 March 2025 amounted to HK$750,000 and nil, respectively.

COMPANY SECRETARY

Ms. Wong Chi Ling, was appointed by the Board as the company secretary of the Company. The biographical details of Ms. Wong are set out in the section headed "Biographies of Directors and Senior Management" of this report. Ms. Wong's primary contact at the Company was Mr. Ha Chak Hung, the Chairman and Executive Director during the Reporting Period.

Ms. Wong had confirmed that she had taken no less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules during the year ended 31 March 2025.

SHAREHOLDERS' RIGHT

Convening of Extraordinary General Meeting on Requisition by Shareholders

Pursuant to Article 64 of the Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting ("**EGM**"). EGMs shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an EGM to be called by the Board for the transaction if any business specified in such requisition.

Right to put enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. Shareholders may send their enquiries or requests in respect of their rights to the Company's principal place of business in Hong Kong.

Procedure for shareholders to put forward proposals at shareholders' meetings

The Companies Ordinance provides that, a company must give notice of a resolution if it has received requests that it do so from: (a) the members of the company representing at least 2.5% of the total voting rights of all the members who have a right to vote on the resolution at the annual general meeting to which the requests relate; or (b) at least 50 members who have a right to vote on the resolution at the annual general meeting to which the requests relate.

The Companies Ordinance also provides that, the request (a) may be sent to the company in hard copy form or in electronic form; (b) must identify the resolution of which notice is to be given; (c) must be authenticated by the person or persons making it; and (d) must be received by the company not later than (i) 6 weeks before the annual general meeting to which the requests relate; or (ii) if later, the time at which notice is given of that meeting.

All request shall be sent to the principal place of business of the Company in Hong Kong or by e-mail to talentmarketer@gmail.com for the attention of the Company Secretary.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company has adopted shareholders communication policy (the "**Shareholders Communication Policy**") with the objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company.

The Group uses several formal channels to ensure fair disclosure and comprehensive and transparent reporting of its performance and activities in accordance with GEM Listing Rules.

The Company's annual and interim reports and circulars are printed and sent to all Shareholders.

Moreover, announcements, circulars, publications and press releases of the Company are published on the Company's website (**www.grandtalentsgroup.com.hk**). The Company's website disseminates corporate information and other relevant financial and non-financial information electronically on a timely basis.

The Company acknowledges that general meetings are good communication channel with Shareholders and the Directors and the members of the Board committees are encouraged to attend and answer questions raised by Shareholders at the general meetings.

The Company is committed to promoting and maintaining effective communication with Shareholders and other stakeholders. The Board is committed to ensuring that the Shareholders are provided with ready, equal and timely access to balanced and understandable information about the Company so as to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders to engage actively with the Company.

During the year ended 31 March 2025, the Company has reviewed the implementation and effectiveness of the Shareholder Communication Policy including steps taken at the general meetings, the handling of queries received (if any) and the multiple channels of communication and engagement in place, and considered that the Shareholder Communication Policy has been properly implemented and is effective.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 March 2025, there was no change in the Company's memorandum and articles of association.

OUR REPORTING APPROACH

Grand Talents Group Holdings Limited (hereafter the "**Company**" or "**Grand Talents**") and its subsidiaries (collectively the "**Group**" or "**We**") are delighted to present our fourth environmental, social and governance ("**ESG**") report (the "**Report**") in presenting the strategies we adopted in achieving balanced and optimal performance in ESG while conducting our businesses. We are an established subcontractor engaged in civil engineering works in Hong Kong for over thirteen years, undertaking (i) repair and maintenance projects for roads and highways and other infrastructures such as construction of pavilion and seawall; and (ii) civil engineering construction projects.

Scope of Report

The Report covers our core business operations between 1 April 2024 and 31 March 2025 ("**FY2024**" or the "**Reporting Period**"). The Report boundary encloses our subsidiaries engaged in civil engineering works, namely Talent Mark Development Limited and Talent Mart Construction Co. Ltd. Unless otherwise specified, the data covers the offices of the subsidiaries and one construction project, which are consistent with FY2024.

Reporting Standards

This Report has been prepared according to the Environmental, Social and Governance Reporting Guide under Appendix C2 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("**the Guide**"). This report will answer to parts (a) mandatory disclosure requirements; and (b) "comply or explain" provisions. The information in this report has been approved and verified by the board of directors (the "**Board**") of the Group, such that this report could include content and data that is accurate, up-to-date and prompt.

Reporting Principles

The report is prepared and processed under the following reporting principles:

Materiality	Quantitative
With peer review and stakeholder engagement, a materiality review was made. It provided aspects for us as it guided the focus of this Report. Issues that will potentially impact the Group materially was also identified and reported such that the information could provide a full picture of the situation and the effort the Group has committed into ESG performances.	To provide a more concrete and applicable ideology on the Group's ESG actions. The Report also consists of quantitative data. All of the disclosed information, including statistics of environmental and social KPIs in particular, were well organized and calculated according to a series of standardized methodologies which are illustrated in the relevant sessions provided by the Guide or by other well-credited sources.
Balance	**Consistency**
The Board reviewed the Report and confirmed that the information from the ESG Report is free from omission and errors. This Report had been prepared without bias to ensure the transparency of the operation and the meaningfulness for readers to view this report.	Consistent environmental and social data treatment approaches were utilized to allow fair comparison of our environmental, social and governance of our past, current and future performances.

Information Source

Unless otherwise indicated, the data disclosed in this Report is derived from official internal documents, paperwork, internal statistics, and pertinent official public information records of the Group.

Contact and Feedback

The Group heavily values your feedback on this Report, were you to have any comments, suggestions, or feedback of any kind, you are more than welcome to contact us via info@grandtalentsgroup.com.hk.

This report is available for download and viewing on HKEXnews (via www.hkexnews.com) and the company's website www.grandtalentsgroup.com.hk under "What's new" and a printed version of the ESG Report is to be available to the shareholders of the Company upon request.

OUR BUSINESS

Grand Talents Group Holdings Limited engages in the provision of civil engineering construction works of road and highway related infrastructures in Hong Kong. The Group's services also cover repair and maintenance projects for roads and highways, and other infrastructures, such as construction of pavilion and seawall; and construction projects for barrier-free access facilities and drainage systems. Established in 2010, the Group has engaged civil engineering works with over thirteen years of experience.

The Group has continued to focus on developing its business of undertaking repair and maintenance works and civil engineering construction works in Hong Kong. With the recently awarded specialised roads repair and maintenance term contract in part of New Territories, our Group will continue to submit tenders for civil engineering projects as well as the maintenance projects in order to gain more profit for the Group and the shareholders of the Company (the "**Shareholders**"). The Group will also continue to focus on developing its business with ESG consideration.

OUR ESG GOVERNANCE

Grand Talents Group Holdings Limited emphasizes ESG risk management in our decision-making processes, protecting our business growth and the environment simultaneously. We intend to not only comply with laws and regulations but also strive to build sustainability into everything we do so as to create values for our key stakeholders.

To ensure effective implementation of our ESG strategies, our Board maintains a strong oversight role and closely monitor the direction of our sustainability strategy and track the progress of our sustainability performance. Our Chief Executive Officer represents the different departments of the Group and reports to the Board about the sustainability implementations. The potential risks and strategies are under monitoring and assessed to ensure the internal system is undergoing properly.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

At the core of our sustainability approach lies the belief that ESG governance plays a vital role in solving social and governance issues as well as environmental challenges. Our sustainability policy is subject to regular review, with active involvement from the Board. This ensures that the ESG standards established by the Group are consistently met and aligned with best practices in the industry.

We firmly believe that comprehensive sustainability strategies and commitments contributes to the sustainable growth of our business, fosters resilience in the face of environmental challenges, and builds trust among our stakeholders. We are committed to continually improving our ESG performance and upholding our responsibilities as a responsible corporate.

Environmental

- Construction Waste Management
- Use of Euro V Diesel
- Use of Recyclable Resources

Social

- Occupational Safety and Health
- Employee Benefits
- Community Investment
- Supply Chain Management
- Anti-Corruption

Governance

- Diversity and Inclusion
- Compliance with Regulation and Laws
- Stakeholders Engagement
- ESG Governance

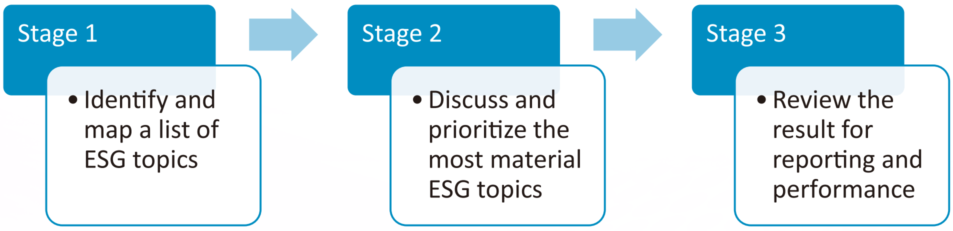
STAKEHOLDER ENGAGEMENT

Stakeholders play an important role for the Group; we affect them as much as they do to us, we listen to their interests and opinions no matter their size or power. Some of our stakeholders include shareholders, the community, our clients, employees, and suppliers. By understanding the concerns, needs, and aspirations of our stakeholders, we can incorporate their feedback into our decision-making processes. In order to develop our direction in devising appropriate ESG strategies, the Group believes that through regular engagement, we can work towards a more sustainable business operation and our long-term business goals.

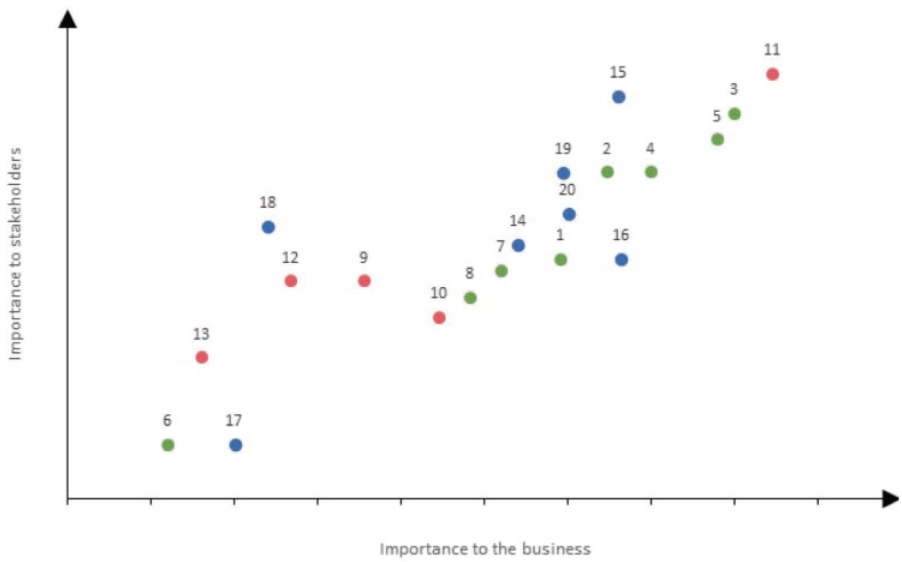
Shareholders and Investors	• Company transparency
	• Announcements
	• Annual General Meeting
	• Annual, Interim, Quarterly and ESG Reports
	• Company Website
The Community and Media	• Company Website
	• Press Release
	• Public Welfare
	• Community benefits
	• Minimization of inconvenience and nuisance
Clients and Consumers	• Company website
	• Direct communication
	• Document submissions
	• Feedback and complaints
Employees and Sub-contractors	• Training and Orientation
	• Regular Meetings and Communication
	• Employee Performance Evaluation
	• Fair and Ethical contracts
Employees and Sub-contractors	• Training and Orientation
	• Regular Meetings and Communication
	• Employee Performance Evaluation
	• Fair and Ethical contracts
Local Government and Other Authorities	• Compliance to Laws and regulations
	• Publicity and Notice
	• Public Consultation

MATERIALITY ASSESSMENT

To conduct the materiality analysis, we conducted in-depth focus group discussions to understand which ESG topics these groups find most relevant to our business. We also researched various ESG reports as well as international and local industry peers to assess topics, which valuable input from the board was gathered. These analyses provide a foundation for prioritizing and addressing ESG topics, aligning our sustainability efforts with stakeholder expectations, and effectively managing ESG risks and opportunities.



A materiality matrix has been set out to show a total of 20 topics that are relevant to our stakeholders and our business were considered this year.



1	Air Pollutants Emissions	8	Climate Change	15	Information Privacy
2	GHG Emissions	9	Equality	16	Quality Management
3	Waste Management	10	Employee Benefits	17	Intellectual Property Rights
4	Energy Consumption	11	Occupational Safety	18	Client Services
5	Use of Resources	12	Training and Development	19	Anti-corruption
6	Use of Packaging Material	13	Child and Forced Labour	20	Community Investment
7	Environment and Natural Resources	14	Supply Chain Management		

According to the materiality matrix, Occupational Safety, Waste Management, and Use of Resources were ranked the top three material issues, in line with our business development. Consequently, we have placed a heightened emphasis on addressing these concerns and have allocated substantial resources to tackle them effectively. Nevertheless, issues such as Greenhouse Gas ("**GHG**") Emissions, Energy Consumption, Information Privacy, Quality Management and Anti-corruption are also highly important to our operation and hence we have devoted much efforts on them during our operation. Through our ongoing efforts, we strive to address these important issues comprehensively, ensuring a sustainable and responsible operational approach.

ENVIRONMENTAL PROTECTION

The consequence of human's damage to the environment has become more apparent and collective efforts are required to minimize further damage. The Group adheres to good environmental management, striving to implement sustainable practices, promote eco-friendly initiatives, and minimize our ecological footprint. By adopting responsible resource management strategies, we aim to preserve the environment with our best effort.

Emission Control

Emission control plays an important role in environmental protection, and our Group would opt to minimize all unwanted emissions regardless of its shape or form. The majority of the Company's operations lies on contracting jobs, where emission policies follow the construction methods and procedures of the main contractor in implementing appropriate control and mitigation measures, while at the same time ensuring all the emissions comply with relevant laws and regulations in Hong Kong. Good site practices are performed with collaboration, communication, screening and monitoring. The Group regularly inspects the conduct and works of our staff to ensure their actions align with the assigned emission policies and provides further guidance and practical advice, or warnings where appropriate. In our experience, the focus of most of our main contractors is to prevent fugitive dust emission, wastewater discharges and noise generation. Air Pollution Control Ordinance and the Noise Control Ordinance are some of the great examples of laws and regulations the Group strictly follows. Our Group ensures these our ESG-related policies and plans are implemented so our operations could inflict the least amount of damage to the environment and minimizes inconvenience to the public.

***Waste*[1]**

KPIs	Unit	FY2025	FY2024	FY2023
Non-hazardous waste				
Total construction Waste	Tonnes	**70.3**	5,060.7	2,901.7
— Non-inert	Tonnes	**22.7**	1.2	215.6
— Inert	Tonnes	**47.6**	5,059.5	2,686.1
Total construction waste intensity	Tonnes per floor area (m^2)	**0.02**	3.75	1.11

[1] *Non-hazardous waste produced from the office is collected by the property management company and hence the data is not available.*

Recognizing the importance of waste management, the Group strictly and heavily reinforces waste management principles and strives to properly manage and dispose of wastes produced by our business activities. The Group takes appropriate measures to develop and improve the prevention and treatment of waste, such as construction waste and industrial solid waste, in accordance with the Waste Disposal Ordinance. Throughout the financial year, the non-hazardous waste produced by the Group was mainly construction waste, for example concrete and rubble. Due to the office's non-hazardous waste being collected by the property management company, we currently lack access to the relevant data. In order to rectify this situation, we will be committed to enhancing our collaboration with the property management company and working towards the establishment of an efficient data collection system, enabling us to make informed decisions and implement effective waste management strategies. Currently, the Group lacks access to relevant hazardous waste statistics. However, as part of our commitment to transparency and continuous improvement, we intend to refine our methods of collecting and recording hazardous waste statistics for comprehensive disclosures in the future.

We primarily focus on maximizing the reuse of materials until they reach the end of their usable life, therefore minimizing the need for disposal. Only after exhausting all possibilities for reusability, any remaining non-recyclable material will be transported and directed to disposal site. By prioritizing reuse and implementing effective waste management practices, we aim to reduce the amount of waste that ultimately ends up in landfills, thereby minimizing the environmental impact associated with disposal. Strict compliance with the main contractor's waste management plan and procedures are practiced in the process of disposal of the waste. Relevant laws and regulations such as Waste Disposal Ordinance were also fulfilled in storing and handling the waste. A trip ticket system is established and implemented to track the disposal process and ensure the construction waste is disposed to assigned dumping sites appropriately.

GHG Emissions

KPIs	Unit	FY2025	FY2024	FY2023
GHG Emission[2]				
Total GHG Emission	tCO_2e	**81.9**	71.2	238.2
— Direct GHG Emissions (Scope 1)[3]	tCO_2e	**78.7**	60.6	212.2
— Indirect GHG Emission (Scope 2)[4]	tCO_2e	**3.2**	10.6	23.4
— Other indirect GHG Emission (Scope 3)[5]	tCO_2e	**—**	—	2.58
Intensity	tCO_2e per floor area (m^2)	**0.02**	0.05	0.09
Air Emissions				
SO_x	kg	**0.5**	0.4	1.2
NO_x	kg	**302.8**	168.0	821.6
PM	kg	**30.3**	16.7	81.0

2 *The GHG emission is calculated based on the "How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange of Hong Kong ("**HKEx**") and international standards such as ISO 14064 and GHG Protocol.*

3 *Direct emission (Scope 1) covers the emission from the mobile and statutory sources combustion.*

4 *Indirect emission (Scope 2) covers the emission from the purchased electricity. The calculation is based on the published emission factors of the 2023 Sustainability Report of CLP Group.*

5 *Other indirect GHG Emission (Scope 3) covers the emission from indirect emissions that occur in the upstream and downstream activities of an organization, including treatment of waste, clean water and sewage.*

Our business involved the use of vehicles, petrol fuel-powered and diesel fuel-powered mechanical equipment, which are the major greenhouse gas emission sources. To mitigate the emissions, the Group adopted cleaner fuels (Euro V or VI Diesel) in our transportation. In the construction industry, electricity consumption is generally high in several areas, for example lighting, power tools and machinery, heating, ventilation, and air conditioning (HVAC system), material handling and conveying. However, by recognizing these specific areas of high electricity consumption, the Group has pursued to implement energy-efficient practices, embrace renewable energy sources, and leverage advanced technologies. These proactive measures help reduce GHG emission thus minimize the environmental impacts. During the reporting period, the intensity of GHG emissions has been lowered by 44%. The Group is closely monitoring the emission and actively seeking new ways to reduce the air pollution brought by our business.

Measures adopted by the Group to mitigate the direct GHG emissions in our operations:

- Regularly maintain and check-up on vehicles and equipment to lower inefficient fuel consumption or abnormal operations;
- Plan an effective route to reduce unnecessary trips to save time and fuel;
- Encourage staff to shut down electrical appliances when idle or leaving the workplace;
- Invest in energy-saving appliances and make use of other ways to reduce electricity consumption.

Use of Resources

Energy consumption

Types of Energy	Unit	FY2025	FY2024	FY2023
Total Energy Consumption[6]	’000 kWh	**322.16**	277.46	859.07
Direct Energy Consumption				
— Diesel	’000 kWh	**234.40**	184.43	619.53
— Gasoline	’000 kWh	**88.80**	63.87	177.11
— Renewable energy	’000 kWh	**1.16**	1.16	2.43
Indirect Energy Consumption				
— Purchased electricity	’000 kWh	**8.6**	28.7	60.0
Total energy intensity	’000 kWh per floor area (m^2)	**0.07**	0.21	0.33

The reduction of resource usage significantly lowers the impact on the environment. As waste is usually made during the production and disposal of resources, minimizing resource consumption is a good way to be more eco-friendly. The Group strives to minimize our footprint in consuming resources within our business operation and continues with initiatives to introduce resource-efficient and eco-friendly plans and policies. The Group is committed to optimize the use of resources in all of our business operations while encouraging our suppliers and (sub)contractors to follow. By fostering a collective effort, we can make a substantial and lasting impact on the environment.

6 *The conversion factors from volumetric units of unleaded petrol and diesel oil consumption to energy units are with reference to CDP Technical note: Conversion of fuel data to ’000 kWh.*

The Group has adopted internal written procedures to ensure higher energy efficiency, and reduction of use of resources is achieved; for instance, all members are encouraged to switch off electrical appliances when they are not in use, thereby minimizing unnecessary power consumption. Furthermore, the Group emphasizes the proper disposal of recyclable materials by providing designated recycling bins for easy and convenient recycling. This holistic approach ensures that both energy efficiency and waste management are prioritized. To further enhance our sustainability initiatives, we will continue our monitoring and analytics of the energy consumption and make amendments to our energy-saving policy and plans accordingly, with the help of this report. In FY2025, total energy consumption is 322.16kWh. This figure serves as a benchmark against which future energy-saving measures can be measured and assessed. By establishing a baseline, we can track our progress and set realistic goals for reducing energy consumption in subsequent years.

Resource Use

Resource Use	**Unit**	**FY2025**	FY2024	FY2023
Water consumption	m^3	**853.00**	291.00	810.22
Total water consumption intensity	m^3 per floor area (m^2)	**0.185**	0.216	0.311
Electricity consumption	kWh	**8.575**	28,731	60,022
Total electricity consumption intensity	kWh per floor area (m^2)	**1.859**	21.28	23.09
Paper consumption[8]	kg	**256**	256	400
Total paper consumption intensity	kg per floor area (m^2)	**0.056**	0.190	0.154

In addition, we consume 0.185m^3 per floor area (m^2) of water and 1.859 kWh per floor area (m^2) of electricity in FY2025, which a large proportion is generated from the construction project. We will continue to monitor our consumption patterns, identify potential improvement areas to reduce the use of resources and enhance our planning in reducing energy and resource consumption.

Water Supplies Department is the water source for the Group's projects and construction works. In our business activities, there is no significant water usage and wastewater generated. However, water conservation is still an important issue considered by the Group. To commit preservation of water usage, the Group encourages our staff to switch off the water tap after using it, and we also consider the installation of flow controllers for a water tap to reduce unnecessary water consumption. As the result of these efforts of various water conservation measures, there has been a remarkable 183.1% increase in water consumption during the FY2025. It highlights the success of initiatives aimed at raising awareness and promoting responsible water usage.

The issue of packaging is not a material issue for the Group's business as the construction work services do not involve any packaging procedures. The Group has not produced any packaging material during the Reporting Period.

[8] *Paper Consumption in the office is included.*

Apart from construction waste management, the Group also focuses on waste reduction management in daily office operations. Paper consumption is considered the major waste management issue in the office. To reduce the amount of paper consumed, electronic communication, such as E-mail, is recommended for usual business communication and two-sided printing is recommended whenever printing is required. The Group places heavy efforts to reduce the harmfulness brought by the Group's businesses to the environment. These initiatives reflect the Group's concerted efforts to mitigate the environmental impact of its operations. Notably, the Group achieved an impressive 36% reduction in total paper consumption in FY2024. This notable accomplishment was primarily attributed to our successful promotion of required reports being submitted in electronic format, leading to a reduced demand for paper materials.

The Environment and Natural Resources

The Group is concerned about the protection of the environment and natural resources, in various aspects, we implement environmental-friendly measures as mentioned in the previous sections to minimize the impacts brought by our businesses. Not only the environment and natural resources are taken into account, but we also consider the sensitive receivers. The Group undertakes proper environmental protection policies to mitigate the adverse environmental impacts:

- Installation of sound insulation materials on our machines and setting up sound barriers in the construction site to eliminate the noise generated;
- Dust controlling with water spraying regularly when the construction is under operation;
- Sorting construction wastes for transporting to public fill reception facilities; and
- Collection of polluted water in sedimentary tanks for sewage disposal at the designated area.

The Group integrated the elements of sustainable development into the internal management and daily business to pursue the best achievement in environmental protection by complying with the relevant environmental laws and regulations, as well as preserving the natural resources. Regarding our construction businesses, we strive to minimize any adverse impacts brought by our operation; thus, we provide sufficient supports and training for the staff to practice eco-friendly procedures and methods in their respective work fields. The Group also cooperated with business partners and main contractor to build a sustainable environment by increasing the utilization of clean energy in our business. As being an environmentally sustainable enterprise, we are willing to pay more efforts on environmental conservation. We believe that bringing a long-term profitable result to the environment can be in tandem with financial growth through the establishment of high environmental awareness and positive behavioral changes.

Climate Change

In construction industry, energy use and waste disposal may constitute impacts on climate change. The Group recognizes the importance of reducing our operational impact on climate change and maintaining our commitment to sustainable development. We are committed to incorporating plans and measures to address climate change into our business operations. During the reporting period, we have implemented several strategies to achieve these goals. First, we prioritize energy-efficient practices in construction and adopting sustainable design principles to minimize energy consumption and greenhouse gas emissions. Second, we actively explore renewable energy sources and integrate them into our projects whenever feasible including the utilization of solar panels and other clean energy technologies.

By implementing these measures, we aim to contribute to the broader efforts of combating climate change, while ensuring the long-term sustainability of our operations and the resilience of the built environment.

EMPLOYMENT AND LABOUR PRACTICES

Employment Conditions

Number of employees

Staff Information	FY2025	FY2024	FY2023
Total number[9] and percentage (%)	**30 (100%)**	44 (100%)	12 (100%)
By employment type			
— Permanent	**25 (83.3%)**	42 (95%)	10 (83%)
— Part-time	**5 (16.7%)**	2 (5%)	2 (17%)
By employment category			
— General Staff	**16 (53.4%)**	34 (77%)	3 (25%)
— Management/Supervisor	**7 (23.3%)**	3 (7%)	3 (25%)
— Senior Management	**7 (23.3%)**	7 (16%)	6 (50%)
By age group			
— Under 30 years old	**4 (13.3%)**	5 (11%)	1 (8%)
— 30–50 years old	**16 (53.4%)**	21 (48%)	9 (75%)
— Over 50 years old	**10 (33.3%)**	18 (41%)	2 (17%)
By gender			
— Male	**22 (73.3%)**	33 (75%)	9 (75%)
— Female	**8 (26.7%)**	11 (25%)	3 (25%)
By geographical region			
— Hong Kong	**23 (76.7%)**	42 (95%)	11 (92%)
— Mainland China	**7 (23.3%)**	2 (5%)	1 (8%)

9 *The Number of staff information is presented in headcount as of 31 March 2024.*

Employee Turnover Rate

Departed Employment	FY2025	FY2024	FY2023
Total number[9] and turnover rate	**11 (37%)**	2 (5%)	44 (68%)
By employment type			
— Permanent	**7 (64%)**	2 (100%)	43 (98%)
— Part-time	**4 (36%)**	0 (0%)	1 (2%)
By employment category			
— General Staff	**8 (73%)**	1 (50%)	34 (78%)
— Management/Supervisor	**1 (9%)**	0 (0%)	9 (20%)
— Senior Management	**2 (18%)**	1 (50%)	1 (2%)
By age group			
— Under 30 years old	**1 (9%)**	0 (0%)	12 (27%)
— 30–50 years old	**7 (64%)**	1 (50%)	15 (34%)
— Over 50 years old	**3 (27%)**	1 (50%)	17 (39%)
By gender			
— Male	**8 (73%)**	1 (50%)	37 (84%)
— Female	**3 (27%)**	1 (50%)	7 (16%)
By geographical region			
— Hong Kong	**10 (91%)**	2 (100%)	44 (100%)
— Mainland China	**1 (9%)**	0 (0%)	0 (0%)

The Group opens multiple and fair channels to recruit the most suited individuals. In FY2025, the total number of employees in our Group as of 31 March 2025 is 30. The Group firmly believe that our employees are not only our most valuable asset, but also the driving force behind our continued growth and prosperity. We recognize that our future depends on the unwavering commitment and exceptional abilities of our dedicated team members. They are the ones who ensure the delivery of high-quality products and services to our esteemed customers. In line with our commitment to excellence, we are dedicated to cultivating a diverse and inclusive workforce that brings together individuals with a wide range of talents and capabilities. By harnessing the collective power of our integrated team, we can confidently navigate the ever-evolving business landscape and propel our Group towards new heights of success.

EMPLOYEES RELATED POLICIES AND PRACTICES

The Group advocates fairness, inclusion, equality and employee benefits; we endeavor to provide a pleasant, diverse, and harmonious working environment for our staff. We understand that a positive workplace atmosphere is crucial for the well-being and productivity of our staff. Our employment policy strictly holds on the principles of fairness and equality, any discrimination or harassment is not tolerated in our Group. According to the employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485), and other relevant laws and regulations, which cover all employment protection and benefits, the Group strives to offer benefits to protect employee's right and treat them equally regardless of gender, marital status, pregnancy, disability, race, or family status. We fully comply with the employment benefits-related laws and regulations during the reporting period.

The Group clearly stipulates company standards in our employment system, the standards cover recruitment and promotion, dismissal, compensation, working hours, and rest periods which are mentioned in the employee handbook. All basic employment benefits, including Mandatory Provisional Fund, sick leave, maternity leave, paternity leave, compensation leave, and overtime allowance, are provided to the eligible employees with the compliance of the employment laws and regulations.

We also provide fair compensation and equal opportunities based on their experience, skills, and performance. Additionally, we strive to offer reasonable working hours and paid leave to assist employees in achieving a work-life balance. This commitment to fairness and employee well-being is integral to our company culture, fostering an inclusive and supportive working environment for all.

Furthermore, the Group intends to retain the talent and motivate our staff's working performance, as such we offer attractive remuneration package, which covered competitive salary, medical insurance, and annual leaves, etc. Based on the employee's performance, experience and qualification, the salary will be reviewed and adjusted annually with reference to the peer standards. Simultaneously, we are fully committed to upholding the fundamental rights of our employees, including empowering them to make autonomous decisions regarding their chosen professions and ensuring they receive fair labor compensation.

Health and Safety

Health and safety FY2025

Health and Safety	**FY2025**	FY2024	FY2023
Number of fatalities	**0**	0	0
Number of lost days due to injury (Day)	**0**	0	2

As severe and fatal accidents do occur in the construction industry, we take occupation health and safety as utmost importance to safeguard the confidence of our stakeholders. We follow strictly the safety protocols, guidelines and best practices as promulgated by the main contractor of the construction project. We are committed to foster a culture that not only encourages health and safety but also raises awareness among our staff about its significance. To ensure the well-being of our employees, we enforce strict compliance with safety precautions and standards, such as wearing personal protection equipment including safety helmets and earplug as necessary. It is worth noting that there are no work-related fatalities occurred in FY2025. However, there were two days lost by employees due to injury in FY2025. Recognizing the significance of this issue, we are committed to implementing additional measures to prevent such incidents from occurring again. By prioritizing safety and taking proactive steps, we aim to create a safer work environment for our employees, minimizing the risk of injuries and subsequent productivity loss.

The Group strictly complies with the relevant laws and regulations in Hong Kong, including but not limited to the Occupational Safety and Health Ordinance. During the Reporting Period, the Group was not aware of any material non-compliance with health and safety related laws and regulations that would have a significant impact on the Group.

To guarantee the competence and qualifications of our workforce, we rigorously verify and regularly check certifications such as valid Construction Workers Registration, Mandatory Basic Safety Training Course (Construction Work) and other specialized licenses are required as applicable before commencement of works. The safety condition of the site, such as the use of the lifting gear and other machineries, working at height and earthwork are checked by the safety officer of the main contractor, and our site team cooperate and comply with the instructions and recommendations of the safety officers at all times, so that the safety of the site is ensured.

Development and Training

2025 Training hours per employee (Unit: hour)

By gender and employment type	Male	%	Female	%
Full-time	0	0	0	0
Part-time	0	0	0	0

By rank	Male	%	Female	%
Senior management	0	0	0	0
Middle management	0	0	0	0
Other employees	0	0	0	0

To provide a better career prospect and job position that best suits the candidates, the Group will assign different tasks and positions as far as practicable to expose them to various work opportunities and enrich their development potential. Internal staff will be first considered for any promotion or transferral so to maximize their capability and help retain the talents in the Group. Internal and external training are provided to the appropriate employees to enhance their technical competence. To ensure their continuous professional development, we actively support and subsidize their participation in relevant courses. One such example is the "Detection of Underground Electricity Cables and Gas Pipes Course." By investing in this specific training, we equip our employees with the necessary skills to excel in identifying and managing underground utility infrastructure. This kind of courses expands their knowledge and enhances ability to handle critical tasks, thus ensuring the safety and efficiency of our operations. By providing these opportunities for further study, we demonstrate our commitment to fostering a highly skilled workforce and maintaining a competitive edge in the industry.

Additionally, regular training is conducted by the main contractor to enhance safety awareness of our employees by refreshing their knowledge and alertness to risks associated with the working environment.

Labour Standards

The Group strictly complies with local laws and conducts recruitment based on the Hong Kong Employment Ordinance. Child and forced labour are strictly prohibited during the recruitment process as defined by laws and regulations. Personal data are collected during the recruitment process to assist in the selection of suitable candidates and to verify candidates' personal data. The Human Resources Department also ensures identity documents are carefully checked. If violation of the relevant laws and regulations are discovered, it will be dealt with in light of the circumstances, as clearly stated in the Group's Staff Handbook.

During the Reporting Period, the Group strictly complies with related child and forced labour prevention laws and regulations in Hong Kong, including but not limited to the Employment of Children Regulations and Employment Ordinance. The Group was not aware of any material noncompliance with child and forced labour-related laws and regulations that would have a significant impact on the Group.

OPERATING PRACTICES

Supply Chain Management

As a socially responsible enterprise, we do not only require the products and services we deliver to be sustainable in terms of business, we also manage our supply chain to ensure its reliability for delivery on time, as part of our effort to safeguard the construction programme. We also understand the importance of supply chain management in mitigating the indirect environmental and social risks. We are aware of the environmental and social practices of the suppliers, and we try to engage suppliers with responsible acts to society in view of green supply chain management.

When it comes to selecting suppliers, we prioritize those who not only meet the criteria of product quality, price, delivery time, flexibility in batch quantities, and product variety but also demonstrate a commitment to environmentally-friendly practices. We expect our suppliers to take proactive measures to improve their environmental processes and require their products to adhere to green standards. By doing so, we aim to reduce resources consumption and minimize waste generation throughout the supply chain.

In addition to selecting green suppliers, we also emphasize green logistics as a vital component of our sustainable approach. We evaluate the environmental impact of various logistics operations, including transportation, storage, handling, packaging, and distribution. This evaluation encompasses factors such as fuel consumption and emissions from transportation vehicles, potential pollution and damage to the surrounding environment during storage, and noise pollution during handling processes, which can lead to environmental pollution.

We believe that engaging suppliers who share our values and actively practice responsible behavior towards society, coupled with a focus on green logistics, will contribute to the overall promotion of environmentally-friendly practices throughout our supply chain. Through these collective efforts, we not only meet our business objectives but also upholds our broader goals of environmental protection and social responsibility.

Supplier Management

The group has strengthened our collaboration with suppliers to continuously improve the supply chain management system and supervision mechanisms. We have established a comprehensive and reliable system of supply chain management standards. Good supplier management can increase the quality of our services and products. To ensure our suppliers or (sub)contractors (who provide products and services related to our construction activities) can fulfill the project requirements, needs and specifications, our project team will also be involved in the assessment process based on their merits, including qualifications, past experience, licenses and certifications, quality of services rendered or products supplied and reputation in the industry. Qualified suppliers can be included in the approved supplier list of the Group.

Additionally, continuous evaluation of the existing suppliers and (sub)contractors is performed to ensure that the quality of their products and services are maintained up to our required standards. Performance review criteria include suppliers' capacity, delivery time, quality control standards and defect rates. If the suppliers consistently fail to meet the expected standards, the senior management may consider to suspend bidding or remove them from the list of approved contractors. Supplier relationship may also be terminated when there is substantial violation of environmental and labour laws and regulations.

Suppliers information[10]

Suppliers Information	FY2025	FY2024	FY2023
By geographical region			
— Hong Kong	**51**	37	9
— Mainland China	**0**	0	1
— England	**1**	0	0
Total number	**52**	37	10

We actively source from local suppliers or vendors as far as possible in order to support community development and local employment. In FY2025, we managed 52 suppliers who are mainly based or operate in Hong Kong.

Service Responsibility

The Group endeavours to provide quality construction and maintenance services by following all the contract requirements and construction programme of our clients, as well as minimizing construction risks that may pose to the public. The Group has established a quality control system in accordance with the requirements of ISO 9001:2015 to develop a sustainable performance-oriented culture emphasizing the pursue of continuous improvement and long-term development. Process control procedures have been established to ensure that the works meet the contractual specification and the environment, health and safety requirements, and the details are shown below:

- Provide a series of detailed implementation standards, delivery guidelines, and risk assessment requirements to employees with a basis for inspecting product quality;

- Assign an experienced project manager or site agent (or other site supervisors as appropriate) to monitor the performance and progress of the construction works in order to meet the project timeline and specifications;

- Collaborate with the main contractor in delivering the construction works; and

- Inspect the site on a regular basis to ensure the work standards, procedures, methodologies are fulfilled during the project implementation stage.

In addition, suppliers from Talent Mark Development Limited and Talent Mart Construction Co., Ltd are included.

The Group strictly complies with related laws and regulations in Hong Kong, including but not limited to the Building Ordinance and Construction Industry Council Ordinance of Hong Kong. During the Reporting Period, the Group was not aware of any incidents of non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services, provided that they would have a significant impact on the Group.

Regarding our product or works quality, most of our contracts contain a defects liability period ("**DLP**"), during which we are responsible to rectify any works defects. In addition, there is usually a contract term for the clients to withhold retention money from us. In general, our clients may retain 3% to 10% of the interim payment for repair and maintenance projects and up to 5% of the contract sum for civil engineering construction works projects as retention money for a project. The terms and conditions in relation to the release of retention monies vary from contract to contract. Depending on the specific terms of the contract, the retention monies are generally released after completion of works or upon the expiration of the DLP. During the Reporting Period, the Group did not experience any material claims from the clients in respect of works defects.

10 *Suppliers from Talent Mark Development Limited and Talent Mart Construction Co., Ltd are included.*

We highly respect intellectual property rights and prohibit unauthorized use of patented products, technologies and concepts. We establish clear guidelines for handling all files involving customer information, including requirements for storage, confidentiality, and destruction. These guidelines ensure that customer data is handled in a secure and responsible manner throughout its lifecycle. Employees are required to obtain authorization and complete registration procedures before accessing customer information. Disclosure of any form of confidential information are prohibited under any circumstance. All the client information, such as trade secrets and construction information (including status, design, and costs) are kept in absolute confidence to prevent data or information leakage. In respect of client personal data and confidential documents, the Group preserves them properly and strictly complies with the Hong Kong Personal Data (Privacy) Ordinance. During the Reporting Period, the Group did not receive any significant complaint regarding the breach of client's privacy or loss of client's information.

Anti-Corruption

The Group has consistently upheld the principles of integrity and honesty, firmly believing that they form the foundation for maintaining business operations. As such, the Group is committed to promoting a culture of fairness and integrity and has established clear anti-corruption management systems to regulate employees' behavior and ethical standards.

As illustrated in our staff handbook, all employees must abide by business ethics and laws and regulations such as the Prevention of Bribery Ordinance while conducting business activities. We are committed to high ethical standards and adopt a zero-tolerance approach to corruption, bribery, fraud, money laundering etc. Employees are prohibited from receiving or requesting any form of benefits, including money, gifts, loans or offers.

In case of an employee being found to have violated the code, the Group follows a well-defined procedure to address the issue promptly and effectively. The matter is immediately reported to the directors and general manager, who oversee the subsequent actions taken. A comprehensive internal investigation is initiated to gather all necessary facts and evidence, ensuring a thorough examination of the situation.

Once the risk management department confirms the veracity of the violation, appropriate actions are taken. If the misconduct is deemed a breach of the employee's labor contract or a violation of the code of business ethics, disciplinary actions are taken in strict adherence to the relevant policies and regulations. This ensures that the Group maintains a zero-tolerance approach towards corruption within its workforce, fostering an environment of integrity and ethical behavior.

Furthermore, if the employee's misconduct involves serious violations will even lead to prosecution. By involving the judicial authorities, the Group ensures that the matter is handled through the legal system, reinforcing its commitment to accountability and transparency.

The Group strictly complies with the relevant laws and regulations in Hong Kong, including but not limited to the Prevention of Bribery Ordinance of Hong Kong. During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering that would have a significant impact on the Group. There were no concluded legal cases against the Group or its employees during the Reporting Period.

We always value the opinions and suggestions of our employees. By establishing an opinion box in both office and construction site, our employees can express their opinions or report any suspected malpractices through leaving an anonymous message. This is part of our whistle-blowing policy and the management will take immediate action to investigate and take follow-up actions if necessary. Moreover, our policy also ensures the protection of all whistleblowers, including employees, customers, and suppliers, allowing them to report concerns without fear of retaliation.

COMMUNITY INVESTMENT

Our Group values that repaying the community is part of the responsibility of being a corporate, through social participation, donating funds or holding charitable events, the Group is seeking more opportunities in contributing to the wellbeing of the community. As the Group continues to focus their efforts on the services to improve the society, by ethically operating and valuing community safety, the group is very encouraging to its staff to take part in community investing.

Our Action

Hopefully, in the near future, the Group could support the community for its good causes with its profits. Contributing back to the society by holding events or funding the needs of our tomorrow.

APPENDIX: HKEX ESG REPORTING GUIDE INDEX

General Disclosures and KPIs	Description	Reference (Page number)	Remarks
Environmental			
Aspect A1: Emissions			
KPI A1.1	The types of emissions and respective emissions data.	Performance Table	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Performance Table	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Table	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emission Control	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management	
Aspect A2: Use of Resources			
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Table	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Table	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A	There were no packaging materials used during the reporting period.

General Disclosures and KPIs	Description	Reference (Page number)	Remarks
Aspect A3: The Environment and Natural Resources			
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environmental and Natural	
Aspect A4: Climate Change			
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change	
Social			
Employment and Labour Practices			
Aspect B1: Employment			
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Performance Table	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Table	
Aspect B2: Health and Safety			
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety	
KPI B2.2	Lost days due to work injury.	Performance Table	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety	
Aspect B3: Development and Training			
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development training	
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development training	
Aspect B4: Labour Standards			
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour standard	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour standard	

General Disclosures and KPIs	Description	Reference (Page number)	Remarks
Aspect B5: Supply Chain Management			
KPI B5.1	Number of suppliers by geographical region.	Performance Table	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	
Aspect B6: Product Responsibility			
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A	There were no recalls in the reporting period.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	N/A	There were no recalls in the reporting period.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	N/A	The Group's businesses do not involve any intellectual property rights practices.
KPI B6.4	Description of quality assurance process and recall procedures.	Services Responsibility	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Services Responsibility	

General Disclosures and KPIs	Description	Reference (Page number)	Remarks
Aspect B7: Anti-Corruption			
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption	
Aspect B8: Community Investment			
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment	

DIRECTORS' REPORT

The Board hereby present the Directors' report and the consolidated financial statements for the year ended 31 March 2025.

LISTING ON GEM

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 23 October 2017.

The Company became the holding company of the Group upon the completion of the corporate reorganisation (the "**Reorganisation**"), details of which are set out in the section headed "History, Development and Reorganisation" in the Prospectus.

The shares of the Company (the "**Shares**") were listed on GEM of the Stock Exchange on 15 October 2018.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The Group is principally engaged in the provision of civil engineering construction works of road and highway related infrastructures and repair and maintenance works for structures of roads and highways.

For the development, performance or position of the Group's business and events after the reporting period, details are set out in the section headed "Chairman's Statement" and the section headed "Management Discussion and Analysis" of this annual report.

For the principal risks and uncertainties facing the Company, details are set out in the paragraph headed "Principal Risks and Uncertainties" in the section headed "Management Discussion and Analysis" in this annual report.

COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

To the best knowledge and belief of the Directors, the Group's operation in Hong Kong has complied with the applicable laws and regulations in all material respects during the year ended 31 March 2025, and up to the date of this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2025 are presented in the consolidated statement of profit or loss and other comprehensive income of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 March 2025.

SUMMARY FINANCIAL INFORMATION

A summary of the results and the assets and liabilities of the Group, as extracted from the Prospectus and the consolidated financial statements of the Company for the years ended 31 March 2021, 2022, 2023, 2024, and 2025 are set out in this annual report.

RELATED PARTY TRANSACTIONS

Details of significant related party transactions of the Group are set out in note 32 to the consolidated financial statements. Save as disclosed in the section headed "Connected Transactions And Continuing Connected Transactions", none of the related party transactions constitutes a connected transaction or continuing connected transaction under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Kaiser Global (China) Company Limited (the "**Kaiser Global**"), a private company limited by shares, is wholly owned by Ms. Ha Tsit Hung, who is Mr. Ha's sister. Therefore, Kaiser Global is a connected person of the Company under the GEM Listing Rules. The principal business of Kaiser Global is trading of painting materials, antiskid road surfacing materials, and provision of related installation services.

As disclosed in Note 32(i) to the consolidated financial statements in this annual report, for the year ended 31 March 2025, the aggregate amount of purchase and service of the company paid to Kaiser Global in relation to the purchased raw material amounted to approximately HK$0.5 million (year ended 31 March 2024: Nil).

During the year ended 31 March 2025, two shareholders of the Company, namely Mr. Ha and Mr. Ip, have provided financings to the Group in the sum of approximately HK$7.0 million and HK$3.0 million respectively. The amount of HK$8.0 million due to Mr. Ha is an unsecured twelve months loan, interest bearing at 12.0% per annum. The remaining amounts due to Mr. Ha and Mr. Ip are unsecured, interest-free and repayable on demand. During the year ended 31 March 2025, the Group paid finance costs of approximately HK$1.0 million to Mr. Ha. Details are set out in notes 20 and 32 to the consolidated financial statements.

All these transactions fall under the definition of continuing connected transactions/connected transactions that are fully exempt from the reporting announcement, independent shareholders' approval, annual review and all other relevant disclosure requirements under Chapter 20 of the GEM Listing Rules.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended 31 March 2025 are set out in note 26 to the consolidated financial statements in this annual report.

SHARE OPTION SCHEME

The terms of the share option scheme adopted by the Company on 21 September 2018 (the "**Share Option Scheme**") are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. During the year ended 31 March 2025 and as at the date of this annual report, no share option was granted, exercised, expired or lapsed and there was no outstanding share option under the Share Option Scheme.

Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel to provide additional incentive to employees (full-time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

Who may join and basis of eligibility

The Board may, at its absolute discretion, grant any full-time or part-time employee, consultant or adviser, director, substantial shareholder, distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group, or any person whom the Board considers has contribution or potential contribution to the development and growth of the Group, options to subscribe for ordinary shares in the capital of the Company ("**Shares**").

Maximum number of Shares available for issue

The aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme or any other share option schemes adopted by the Company must not exceed 30% of the Shares in issue from time to time.

The maximum number of shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the adoption date (excluding, for this purpose, the shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all the shares in issue as at the Listing Date. Therefore, it was expected that as from the adoption date the Company may grant options in respect of up to 48,000,000 shares (or such numbers of shares as shall result from a sub-division or a consolidation of such 48,000,000 shares from time to time) to the participants under the Share Option Scheme.

The 10% limit as mentioned above may be refreshed at any time by obtaining approval of the shareholders in a general meeting provided that the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed 10% limit.

The Company may seek separate approval of the shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the 10% limit are granted only to grantees specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the shareholders containing a generic description of such grantees, the number and terms of such options to be granted and the purpose of granting options to them with an explanation as to how the terms of the options will serve such purpose, such other information required under the GEM Listing Rules.

As at 1 April 2024 and 31 March 2025, the number of options available for grant under the Share Option Scheme is 4,800,000 and 4,800,000 respectively.

As at the date of this annual report, the maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other share option scheme(s) of the Company (if any) and the awards to be granted under share award scheme(s) of the Company (if any) was 4,800,000, representing approximately 3.5% of the total issued shares of the Company as at the date of this annual report. During the year ended 31 March 2025, no share option was granted, exercised, expired, lapsed or cancelled and there is no outstanding share option under the Share Option Scheme.

Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his close associates abstaining from voting.

Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as our Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

Performance targets

Save as determined by our Board and provided in the offer of the grant of the relevant options, there is no performance target which must be achieved before any of the options can be exercised.

Grant of options and acceptance of offers

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by a grantee to the Company on acceptance of the offer for the grant of an option is HK$1.00.

Price of Shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by our Board and notified to a participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a Business Day; (ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option.

Period of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten years commencing on 21 September 2018 and shall expire on 21 September 2028, after which no further options will be granted or offered. As of the date of this annual report, the Share Option Scheme had a remaining life of approximately two(2) years and three(3) months.

Rights on winding-up

In the event a notice is given by our Company to our members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it despatches such notice to each member of our Group give notice thereof to all grantees and thereupon, each grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than two Business Days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.

Ranking of Shares

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with our fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be on or before the date of allotment, save that the Shares allotted upon the exercise of any option shall not carry any voting rights until the name of the grantee has been duly entered on the register of members of our Company as the holder thereof.

EQUITY-LINKED AGREEMENT

Save and except for the Share Option Scheme as disclosed in the paragraph headed "SHARE OPTION SCHEME" above, no equity-linked agreement that (i) will or may result in the Company issuing shares or (ii) requires the Company enter into any agreement that will or may result in the Company issuing shares, was entered into by the Company during the year ended 31 March 2025 or subsisted at the end of the year.

PURCHASE, SALE OR REDEMPTION OF THE SHARES

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

DEBENTURE

No debenture was issued by the Company during the year ended 31 March 2025.

DISCLOSURE OF INTERESTS

(a) Interests and/or short positions of Directors and chief executive in the Shares, underlying shares and debentures of the Company or its associated corporations

As at the date of this report, the Directors and chief executives of the Company had the following interests and/or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or pursuant to Rule 5.46 of the GEM Listing Rules relating to securities transactions by the Directors, will be required to be notified to the Company and the Stock Exchange:

Interests in the Company

Name of Director	**Capacity**	**Number of shares held** *(Note 1)*	**Percentage of interest in the Company**
Mr. Ha *(Note 2)*	Interest of a controlled corporation	6,466,900 (L)	3.93%
Mr. Ip *(Note 2)*	Interest of a controlled corporation	6,466,900 (L)	3.93%
Mr. Chu Jinzhe	Beneficially owner	5,480,800 (L)	3.33%

Notes:

1. *The letter "L" denotes the person's long positions in the Shares.*

2. *Each of Mr. Ha and Mr. Ip beneficially owns 50% of the issued share capital of Talent Prime Group Limited. Therefore, Mr. Ha and Mr. Ip are deemed to be interested in all the Shares held by Talent Prime Group Limited for the purpose of the SFO. Mr. Ha and Mr. Ip are directors of Talent Prime Group Limited.*

Save as disclosed above, as at the date of this report, none of the Directors or chief executives of the Company had any interests and/or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein or pursuant to Rule 5.46 of the GEM Listing Rules relating to securities transactions by the Directors.

(b) Interests and/or short position of substantial shareholders in the Shares which are discloseable under Divisions 2 and 3 of Part XV of the SFO

So far as is known to the Directors, as at the date of this report, the following persons (not being a Director or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was, directly or indirectly interested in 5% or more of the issued share capital of the Company.

Name of substantial shareholder	Capacity	Number of Shares *(Note 1)*	Percentage of interest in our Company
Talent Prime Group Limited	Beneficial owner	6,466,900 (L)	3.93%
Ms. Chung Ching Yan *(Note 2)*	Interest of spouse	6,466,900 (L)	3.93%
Ms. Lee Ming Ho *(Note 3)*	Interest of spouse	6,466,900 (L)	3.93%

Notes:

1. *The letter "L" denotes the person's long positions in the Shares.*

2. *Ms. Chung Ching Yan is the spouse of Mr. Ha. Under the SFO, Ms. Chung is deemed, or taken to be, interested in the same number of Shares in which Mr. Ha is interested.*

3. *Ms. Lee Ming Ho is the spouse of Mr. Ip. Under the SFO, Ms. Lee is deemed to be interested in the same number of Shares in which Mr. Ip is interested.*

Save as disclosed above, so far as is known to the Directors, as at the date of this report, there are no other person (not being a Director or chief executive of the Company) who had an interest or a short position in the Shares or underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was, directly or indirectly interested in 5% or more of the issued share capital of the Company.

BOARD OF DIRECTORS

Executive Directors

Mr. Ha Chak Hung *(Chairman and executive Director)*
Mr. Ip Chu Shing *(Chief Executive Officer and executive Director)*
Mr. Chu Jinzhe *(appointed on 25 September 2024)*

Independent non-executive Directors

Ms. Tang Shui Man
Dr. Fok Wai Sun
Ms. Wu Jing *(retired on 30 July 2024)*
Ms. Liu Yuchao *(appointed on 29 October 2024)*

Biography details of the Directors are set out in the section headed "Biographies of Directors and Senior Management" of this annual report.

The Company has received an annual confirmation of independence from each independent non-executive Director pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers the independent non-executive Director to remain independent as at the date of this annual report.

CHANGE OF DIRECTORS AND COMPOSITION OF BOARD COMMITTEES

Ms. Wu Jing retired as an independent non-executive director of the Company at the conclusion of the annual general meeting held on 30 July 2024, as the resolution for her re-election was not approved by the shareholders. Following her retirement, she also ceased to be the Chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee.

Mr. Chu Jinzhe was appointed as an executive director of the Company with effect from 25 September 2024. Ms. Liu Yuchao was appointed as an independent non-executive director and a member of the Audit Committee with effect from 29 October 2024.On the same date, Mr. Ha Chak Hung was re-designated as the Chairman of the Nomination Committee.

DIRECTORS AND THEIR SERVICE AGREEMENTS

Each Director and non-executive Director has entered into a service agreement or letter of appointment with the Company for initially a fixed term of three years commencing from the Listing Date or date of appointment and will continue thereafter until terminated by either party giving not less than three months' written notice to the other party. None of the Directors has entered into any service agreement with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

All Directors are subject to retirement by rotation and re-election at annual general meetings every three years, and will continue thereafter until terminated in accordance with the terms of the service agreement/letter of appointment.

In accordance with the Article 108 of the Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not a multiple of three, the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. In addition, Article 112 provides that any director appointed by the Board to fill a casual vacancy or as an additional director shall hold office only until the next following annual general meeting, and shall then be eligible for re-election. Such directors shall not be taken into account in determining the number of directors who are to retire by rotation under Article 108.

Accordingly, Mr. Ha Chak Hung, Mr. Ip Chu Shing, Mr. Chu Jinzhe and Ms. Liu Yuchao will retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed herein, at no time during the year ended 31 March 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares or debentures of the Group or any other body corporate.

EMOLUMENT OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emolument of the Directors and the five highest paid individuals of the Group are set out in notes 13 and 14 to the consolidated financial statements in this report.

EMOLUMENTS OF SENIOR MANAGEMENT

The emoluments of the senior management of the Group for the year ended 31 March 2025 falls within the following band:

Emolument Band	Number of Senior Management
Nil to HK$1,000,000	3

EMOLUMENT POLICY

The remuneration committee of the Board will make recommendations on the remuneration of the Directors and senior management and to recommend members of the Board and determine, with delegated responsibilities, the remuneration package of individual Director and senior management. The remuneration committee regularly reviews and determines the remuneration and compensation packages of the Directors and senior management by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group.

PERMITTED INDEMNITY PROVISION

Every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted.

RETIREMENT BENEFITS PLANS

The Group has participated in a MPF Scheme which is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the Group as the employer and the employees of the Group are each required to make contributions to the MPF Scheme at rates specified in the rules of the scheme. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions. Except for voluntary contribution, no forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years.

Particulars of retirement benefits plans of the Group as at 31 March 2025 are set out in Note 31 to the consolidated financial statements.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in notes 13 and 32 to the consolidated financial statements in this annual report, the Group has not entered into any transactions, arrangements or contracts that is significant in relation to the Group's business to which any of member of the Group was a party and in which a Director or a connected entity of that Director had, directly or indirectly, a material interest.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors nor the controlling shareholder of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) has interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Group.

NON-COMPETITION UNDERTAKING

Talent Prime Group Limited, Mr. Ha and Mr. Ip, (each a "**Covenantor**" and collectively, the "**Covenantors**"), have confirmed to the Company of their compliance with the non-competition undertakings provided to the Company under a deed of non-competition dated 21 September 2018 (the "**Deed of Non-Competition**"). Details of the Deed of Non-Competition was set out in the section headed "Relationship with Our Controlling Shareholders" of the Prospectus.

The Independent non-executive Directors of the Company have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by the Covenantors and duly enforced since the Listing Date and up to the date of this annual report.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Saved as disclosed in notes 13 and 31 to the consolidated financial statements in this annual report, there was no contract of significance between the Company or one of its subsidiaries on the one hand, and a controlling shareholder (as defined under the GEM Listing Rules) or any of its subsidiaries on the other, subsisting during or at the end of the year ended 31 March 2025.

Saved as disclosed, there was also no other contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries during or at the end of the same period.

MANAGEMENT CONTRACT

During the year ended 31 March 2025, neither the Company nor its subsidiaries has entered into a contract by which (a) a person undertakes the management and administration of the whole or any substantial part of the business of the Company; and (b) the contract is not a contract of service with any Director or any person engaged in the full-time employment of the Company.

MAJOR CUSTOMERS

For the year ended 31 March 2025, the Group's five largest customers accounted for approximately 100% of the total revenue of the Group and the largest customer of the Group accounted for approximately 100% of the total revenue.

To the best of the knowledge of the Directors, none of the Directors or any of their respective close associates, or any Shareholders (which to the best knowledge of the Directors owns more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

MAJOR SUPPLIERS

For the year ended 31 March 2025, the largest supplier of the Group accounted for approximately 16.84% of the cost of revenue.

To the best of the knowledge of the Directors, none of the Directors or any of their respective close associates, or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in the Group's five largest suppliers.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed "Future Plans and Use of Proceeds" of the Prospectus and the "Use of Proceeds" section in the Management Discussion and Analysis of this annual report, the Group did not have other plans for material investments and capital assets as at 31 March 2025.

CORPORATE GOVERNANCE

The corporate governance report of the Company for the year ended 31 March 2025 is set out in this annual report.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

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

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the public float of the Company's issued securities is sufficient with at least 25% held by the public.

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Company and the Group during the year are set out in note 34 to the consolidated financial statements and the consolidated statement of changes in equity on page 74 of this annual report, respectively.

At 31 March 2025, the Company's reserves available for distribution to its Shareholders, calculated in accordance with the laws of Hong Kong, amounted to approximately HK$3.8 million.

AUDITORS

The consolidated financial statements of the Company for the year ended 31 March 2023 were audited by BDO Limited.

The consolidated financial statements of the Company for the year ended 31 March 2024 were audited by CWK CPA Limited ("**CWK**"). CWK resigned as auditor of the Company on 19 November 2024 for the year ended 31 March 2025. OOP CPA & Co. ("**OOP**") was then appointed as the auditor of the Company with effect from 19 November 2024.

The consolidated financial statements for the year ended 31 March 2025 has been audited by OOP will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

RELATIONSHIPS WITH STAKEHOLDERS

Employees are the assets of the Group. The Group provides competitive remuneration package and a pleasant workplace environment to attract and motivate the employees. An annual performance evaluation will be conducted annually based on individual's contributions and achievements throughout the year and the Group will make necessary adjustments based on the result of the performance evaluation.

The Group understands the importance of maintaining a good relationship with its business partners, including the customers, suppliers, bankers and other financial institutions. The Group believes that a healthy relationship can be built up by providing enhanced services to the customers, maintaining an effective communication channel to the employees and our business partners.

Mr. Ha Chak Hung
Chairman

Hong Kong, 27 June 2025

奧柏國際

TO THE MEMBERS OF GRAND TALENTS GROUP HOLDINGS LIMITED

(incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Grand Talents Group Holdings Limited (the "**Company**") and its subsidiaries (together the "**Group**") set out on pages 72 to 130, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3(b)(ii) in the consolidated financial statements, which indicates that the Group incurred a net loss of HK$7,251,000 and net operating cash outflow of HK$4,833,000. As of that date, the Group had current trade and other payables of HK$8,640,000, other loan of HK$1,457,000 and amounts due to shareholders of HK$9,997,000 while the Group only maintained its bank balances and cash of HK$464,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Management's measures to address the going concern issue are also described in note 3 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Material Uncertainty Related to Going Concern" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue from civil engineering construction contracts and repair and maintenance works contracts

We identified the revenue from civil engineering construction contracts and repair and maintenance works contracts as a key audit matter as they are quantitatively significant to the consolidated financial statements as a whole and there are significant judgments involved in the management's assessment process. The Group recognised revenue from repair and maintenance works contracts amounted to HK$35,155,000, respectively, for the year ended 31 March 2025. As disclosed in note 4, revenue from civil engineering construction works and repair and maintenance works as principal is recognised over time under output method which requires estimation made by the management of the Group on progress and outcome of the projects with reference to the reports of completion of work, relevant progress reports and other information.

Our response:

Our procedures in relation to the revenue from civil engineering construction contracts and repair and maintenance works contracts included:

- Understanding the design and testing the implementation of key internal controls over the revenue recognition of the revenue contract;

- Checking the accuracy of the contract revenue by agreeing the amount of progress billings, to billings issued to customers, on a sample basis;

- Discussing with the project managers and the management of the Group to understand the status of the projects, identifying any variations and obtaining explanations for fluctuations in margins as to their reasonableness, on a sample basis;

- Checking the total contract value and terms to agree to the underlying construction contracts entered into with the customers and other relevant correspondences and supporting documents in respect of variation orders, on a sample basis; and

- Checking the revenue recognised and the corresponding certificates issued before and subsequent to year end date and other relevant correspondences and supporting documents in respect of variation orders, on a sample basis, to evaluate the reasonableness of the revenue recognised.

Impairment assessment of contract assets and trade receivables

We identified impairment assessment of contract assets and trade receivables as a key audit matter due to the significance of contract assets and trade receivables to the Group's consolidated statement of financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit losses ("**ECL**") of the Group's contract assets and trade receivables at the end of the reporting period.

As at 31 March 2025, as set out in notes 18 and 19 to the consolidated financial statements, the Group's contract assets and trade receivables amounting to HK$6,321,000 and HK$20,264,000 respectively, and out of these trade receivables HK$13,407,000 were past due.

As disclosed in note 5 to the consolidated financial statements, the management of the Group estimates the amount of lifetime ECL of contract assets and trade receivables individually based on internal credit rating. Internal credit rating has been given to each debtor after considering aging, historical observed default rates, repayment history and past due status of respective trade receivables and contract assets. Estimated loss rates are based on probability of default and loss given default with reference to an external credit report and are adjusted for forward-looking information. The impairment loss amount of the contract assets and trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

As disclosed in note 29(b) to the consolidated financial statements, the Group reversed an amount of HK$nil and HK$4,903,000 and recognised an additional amount of HK$212,000 and HK$11,858,000 of impairment loss of contract assets and trade receivables, respectively, for the year and the Group's ECL on contract assets and trade receivables as at 31 March 2025 amounted to HK$14,708,000 and HK$20,079,000, respectively. HK$10,189,000 of impairment loss for trade receivables were written off.

Our response:

Our procedures in relation to the impairment assessment of contract assets and trade receivables included:

- Challenging management's basis and judgement in determining credit loss allowance on trade receivables and contract assets as at 31 March 2025, including their identification of credit-impaired contract assets and trade receivables, the reasonableness of management's assignment of the internal credit rating to each debtor, and the basis of estimated loss rates applied;

- Testing the reasonableness of internal credit rating given to each debtor by checking trade receivables aging analysis as at 31 March 2025, historical observed default rates, repayment history and past due status of respective trade receivables by reviewing the relevant invoices, bank receipts and other supporting information, on a sample basis;

- Assessing the reasonableness of the estimated loss rates by comparing the probability of default and loss given default with reference to external credit report and reviewing the adjustment for forward-looking information, on a sample basis; and

- Evaluating the disclosures regarding the impairment assessment of contract assets and trade receivables in notes 4, 5 and 29(b) to the consolidated financial statements.

Except for the matter described in the "Material Uncertainty Related to Going Concern" section, we have determined that there are no other key audit matters to communicate in our report.

OTHER INFORMATION IN THE ANNUAL REPORT

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in the independent auditor’s report is Kwan Kai Chun.

OOP CPA & Co.
Certified Public Accountants
Kwan Kai Chun
Practising Certificate no. P06957

Hong Kong, 27 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	NOTES	**2025** **HK$'000**	2024 HK$'000
Revenue	6	**35,155**	16,967
Cost of revenue		**(25,531)**	(15,832)
Gross profit		**9,624**	1,135
Other income	7	**126**	221
Other gains	8	**—**	30
Administrative expenses		**(8,544)**	(12,476)
Impairment loss under expected credit loss model, net of reversal		**(7,197)**	(3,056)
Finance costs	9	**(1,260)**	(992)
Loss before taxation		**(7,251)**	(15,138)
Income tax expenses	10	**—**	—
Loss for the year and total comprehensive expenses for the year attributable to owners of the Company		**(7,251)**	(15,138)
Loss per share			
— Basic and diluted (HK cents)	15	**(5.09)**	(12.38)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	NOTES	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	16	**260**	544
Right-of-use assets	17	**140**	193
		400	737
Current assets			
Contract assets	18	**6,321**	5,656
Trade and other receivables	19	**20,358**	20,438
Bank balances and cash	21	**464**	851
		27,143	26,945
Current liabilities			
Trade and other payables	22	**8,640**	7,273
Amounts due to shareholders	20	**9,997**	8,938
Other loan	23	**1,457**	—
Lease liabilities	24	**75**	168
		20,169	16,379
Net current assets		**6,974**	10,566
Total assets less current liabilities		**7,374**	11,303
Non-current liabilities			
Lease liabilities	24	**63**	29
Deferred tax liabilities	25	**9**	9
		72	38
Net assets		**7,302**	11,265
Capital and reserves			
Share capital	26	**16,442**	13,702
Reserves		**(9,140)**	(2,437)
Total equity		**7,302**	11,265

The consolidated financial statements on pages 72 to 130 were approved and authorised for issue by the board of directors on 27 June 2025 and are signed on its behalf by:

Ha Chak Hung
DIRECTOR

Ip Chu Shing
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company				
	Share capital	**Share premium**	**Other reserve**	**Accumulated losses**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	(Note 26)	*(Note 33)*	*(Note (i))*	*(Note (ii))*	
At 1 April 2023	11,422	67,684	15,457	(70,440)	24,123
Issue of shares	2,280	—	—	—	2,280
Loss for the year	—	—	—	(15,138)	(15,138)
At 31 March 2024 and 1 April 2024	**13,702**	**67,684**	**15,457**	**(85,578)**	**11,265**
Issue of shares	**2,740**	**548**	**—**	**—**	**3,288**
Loss for the year	**—**	**—**	**—**	**(7,251)**	**(7,251)**
Balance as at 31 March 2025	**16,442**	**68,232**	**15,457**	**(92,829)**	**7,302**

Notes:

(i) *Other reserve represents (a) the deemed distribution to Ms. Wang Shen ("**Ms. Wang**"), mother of Mr. Ha Chak Hung ("**Mr. Ha**"), one of the Controlling Shareholders (as defined in note 1), and Mr. Ha and Mr. Ip Chu Shing ("**Mr. Ip**"), the directors of Talent Mark Development Limited ("**TMD**"), which arises from the differences between the fair values of the lower-than-market advances to each of them and the nominal amounts of the advances at initial recognition, and (b) share of deemed contribution of HK$1,011,000 by the non-controlling interest of Talent Tren Construction Limited ("**Talent Tren**") in respect of waiver of the amount due to TMD of the amount of HK$3,062,000 pursuant to a debt waiver agreement entered into between TMD and Talent Tren on 10 October 2016, and (c) the consideration in acquiring the entire equity interests of Talent Mart Construction Co., Limited ("**TMC**") and TMD by allotment and issuance of 4,000 and 4,200 ordinary shares with par value of US$1 each of China Talents Group Limited ("**China Talents**") to Talent Prime Group Limited ("**Talent Prime**") and the reclassification of share capital of TMD and TMC to other reserve, and (d) the reclassification of share capital of China Talents of HK$78,000 (equivalent to US$10,000) and share premium of China Talents of HK$13,994,000 to other reserve upon completion of the Reorganisation (as defined in note 1).*

(ii) *It represents cumulative net (loss)/profits recognised in the consolidated statement of profit or loss and other comprehensive income.*

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
OPERATING ACTIVITIES		
Loss before taxation	**(7,251)**	(15,138)
Adjustments for:		
Depreciation on property, plant and equipment	**454**	705
Depreciation on right-of-use assets	**193**	390
Impairment loss under expected credit loss model	**7,197**	3,056
Loss on lease termination	**—**	18
Gain on disposal of property, plant and equipment	**—**	(30)
Finance costs	**1,260**	992
Bank interest income	**(6)**	(59)
Operating cash flows before movements in working capital	**1,847**	(10,066)
Increase in contract assets	**(877)**	(992)
(Increase)/decrease in trade and other receivables	**(6,905)**	2,469
Increase in trade and other payables	**1,102**	995
Cash used in operations	**(4,833)**	(7,594)
Income tax paid	**—**	—
NET CASH USED IN OPERATING ACTIVITIES	**(4,833)**	(7,594)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(170)**	(98)
Proceeds from disposal of property, plant and equipment	**—**	92
Interest received	**6**	59
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	**(164)**	53
FINANCING ACTIVITIES		
Proceeds from issue of shares	**3,288**	2,280
Other loan raised	**1,457**	—
Advance from a shareholder	**99**	—
Repayment from a related company	**—**	2
Proceeds from a loan from a shareholder	**—**	1,934
Repayment to shareholders	**—**	(960)
Capital element of lease liabilities paid	**(199)**	(384)
Interest paid	**(20)**	—
Interest element of lease liabilities paid	**(15)**	(32)
NET CASH FROM FINANCING ACTIVITIES	**4,610**	2,840
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(387)**	(4,701)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**851**	5,552
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by	**464**	851
Bank balances and cash	**464**	851

1. GENERAL

The Company was incorporated in the Cayman Islands under the Companies Law Chapter 22 of the Cayman Islands (the "**Companies Law**") as an exempted company with limited liability on 23 October 2017. Its parent and ultimate holding company is Talent Prime, a limited liability company incorporated in the British Virgin Islands ("**the BVI**"). Its ultimate controlling parties are Mr. Ha and Mr. Ip who are also the directors of the Company.

The addresses of the registered office of the Company is located at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and the principal place of business of the Company is located at Office 15, 9/F., Mega Cube, No. 8 Wang Kwong Road, Kowloon, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in provision of civil engineering construction works of road and highway related infrastructures and repair and maintenance works for structures of roads and highways. The principal activities of its subsidiaries are set out in note 34 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(continued)*

Amendments to HKFRSs that are mandatorily effective for the current year *(continued)*

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(continued)*

Amendments to HKFRSs in issue but not yet effective

The Company has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] *Effective for annual periods beginning on or after a date to be determined*
[2] *Effective for annual periods beginning on or after 1 January 2025*
[3] *Effective for annual periods beginning on or after 1 January 2026*
[4] *Effective for annual periods beginning on or after 1 January 2027*

Except for HKFRS 18 which would have impact to the presentation and disclosure to the consolidated financial statements, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards, 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 of Securities on GEM of the Stock Exchange ("**Listing Rules**").

(b) Basis of measurement and going concern assumption

(i) Basic of measurement

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

(ii) Going concern basis

During the year ended 31 March 2025, the Group incurred a net loss of HK$7,251,000 and net operating cash outflow of HK$4,833,000. As of that date, the Group had current trade and other payables of HK$8,640,000, other loan of HK$1,457,000 and amounts due to shareholders of HK$9,997,000 while the Group only maintained its bank balances and cash of HK$464,000.

3. BASIS OF PREPARATION *(continued)*

(b) Basis of measurement and going concern assumption *(continued)*

(ii) Going concern basis *(continued)*

In view of such circumstances, the directors of the Company have prepared a cash flow forecast of the Group covering a period of not less than twelve months from 31 March 2025 (the "**Cash Flow Forecast**") for the purpose of assessing the appropriateness of the use of the going concern basis for the preparation of these consolidated financial statements. In preparing the Cash Flow Forecast, the directors of the Company have given careful consideration to its operating needs, the future liquidity of the Group and its available sources of financing in assessing whether the Group will be able to repay the outstanding debts and be able to finance its future working capital and other financial requirements.

Plans and measures have been taken to mitigate the liquidity pressure and to improve the financial position of the Group, which mainly include the following:

(a) Two shareholders have undertaken in writing that they would not demand repayment from the Group for the amounts due to them until the Group is in a position to repay. Two shareholders have also undertaken that they will provide further financial support to the Group to meet its daily operating needs and financial obligations when they fall due;

(b) The management has taken a more vigilant approach in managing the progress of projects and related costs with the aim to enable the Group to attain more profitable operations by controlling costs and to improve its operating cash outflows; and

(c) The management has endeavored to recover slowing settling trade receivables and anticipated that a cash flow of not less than HK$15,000,000 would be received over the forecast period.

Based on the above plans and measures, the directors are of the opinion that the Group would have sufficient working capital to financial its operations and to meet its financial obligations as and when they fall due within the forecast period. Accordingly, it is appropriate to prepare the consolidated financial statements for the year ended 31 March 2025 on a going concern basis.

However, there are uncertainties inherently associated with the future outcomes as to whether (a) the Group would be able to attain more profitable operations; (b) the two shareholders would be financially viable to provide finance to the Group and would honor the undertakings that they made; and (c) the customer would settle the outstanding trade receivables on time that meets the liquidity need of the Group. As a result, there is a material uncertainty related to the events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements do not include any adjustments that may be necessary should the going concern basis of preparation be determined to be inappropriate. These would include any adjustments to write down the Group's assets to their net realisable amounts, to provide for any liabilities which may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

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

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

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

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

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

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

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

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

Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interest (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 or, when applicable, the cost on initial recognition of an investment in a joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Basis of consolidation *(continued)*

Merger accounting for business combination involving businesses under common control

The consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

(b) Interest in a joint venture

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

The results and assets and liabilities of a joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of the joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an interest in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interests held by the Group. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Interest in a joint venture *(continued)*

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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

(c) Revenue from contracts with customers

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Revenue from contracts with customers *(continued)*

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

Principal versus agent

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

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

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

Principal versus agent consideration (principal)

The Group engages in provision of civil engineering construction works specialising in repairing and maintaining structures of roads and highways and construction drainage systems and repair and maintenance works on roads and highways and other infrastructures such as construction of pavilion and seawall in Hong Kong. The Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the services to the customers. The Group has inventory risk and has the discretion in price-setting of the services rendered by sub-contractors to be charged against the customers. When the Group satisfies the performance obligation, the Group recognises revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

Revenue from civil engineering construction works and repair and maintenance works as principal are recognised overtime since the Group's performance creates or enhances an asset that the customer controls as the Group performs. The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

During the year ended 31 March 2025, the Group recognised revenue relating to civil engineering works and certain repair and maintenance works as principal amounted to HK$35,155,000 (2024: HK$16,967,000).

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Revenue from contracts with customers *(continued)*

Principal versus agent *(continued)*

Principal versus agent consideration (agent)

The Group is considered as an agent for its contracts with customers relating to arranging for another party, that is sub-contractor, to deliver resurfacing and thermal patching service to the customer and the Group did not have the ability to direct the sub-contractor to provide such service to the customers. It is the customer who contracted with the sub-contractor set the price for the service without visibility to the Group. The service performed by the sub-contractor is not an input to a combined performance obligation for which the Group is providing significant service of integration. The Group does not have the practical ability to instruct the sub-contractor and direct the sub-contractor to provide the service. The Group is also not primarily responsible for fulfilling the promise, not exposed to inventory risk and not involved in the price negotiation between the customer and the sub-contractor. When the Group satisfies the performance obligation, the Group recognises a commission revenue in the amount it expects to be entitled as specified in the contracts, which amounted to certain percentage of the gross amount of consideration as specified in the contracts.

Revenue from civil engineering construction works and repair and maintenance works as agent are recognised at a point in time when the Group had arranged the sub-contractor to deliver service to the customer.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 on the same basis as trade receivables as set out in note 4(k). In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the "**functional currency**") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which case, the exchange differences are also recognised directly in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as exchange reserve. Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

(e) Borrowing costs

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

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(f) Leases

All leases are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term of 12 months or less and do not contain purchase option. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The Group has leased a number of properties under tenancy agreements which are held for own use and are carried at depreciated cost.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable: (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(f) Leases *(continued)*

Lease liability *(continued)*

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

(g) Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme (the "**MPF Scheme**") in Hong Kong are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

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

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

(h) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Taxation *(continued)*

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(i) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Property, plant and equipment *(continued)*

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

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

(j) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment under cost model;
- right-of-use assets;
- investments in subsidiaries; and
- interest in a joint venture.

If any such indicator exists the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash generating unit).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 April 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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

Financial assets

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

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All of the Group's financial assets are subsequently measured at amortised cost.

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

The Group recognises an impairment loss for ECL on financial assets which are subject to impairment under HKFRS 9 including trade receivables, other receivables, amounts due from a shareholder and a related company and bank balances. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Financial instruments *(continued)*

Financial assets *(continued)*

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

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually.

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

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Financial instruments *(continued)*

Financial assets *(continued)*

Significant increase in credit risk (continued)

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

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

Definition of default

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

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

Credit-impaired financial assets

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Financial instruments *(continued)*

Financial assets *(continued)*

Write-off policy

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

Measurement and recognition of ECL

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

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

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

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

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Financial instruments *(continued)*

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities at amortised cost

Financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

(l) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flow (when the effect of the time value of money is material).

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where it is not probable that an outflow of resources embodying economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of resources embodying economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of key management personnel of the Group or the Company's parent.

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

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependents of that person or that person's spouse or domestic partner.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(n) Government grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

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

Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the operating results of the Group's operations and financing plan assessed using cash flows forecasts as detailed in note 3(b)(ii) to these consolidated financial statements. However, because not all future events or conditions can be predicted, this assumption is not a guarantee as to the Group's and Company's ability to continue as a going concern.

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

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Key sources of estimation uncertainty

(i) Estimated revenue of civil engineering construction works and repair and maintenance works

Revenue from civil engineering construction works and repair and maintenance works as principal is recognised over time under output method which requires estimation made by the management of the Group on progress and outcome of the projects with reference to the reports of completion of work, relevant progress reports (internal/external) and other information. The management's estimate of revenue and the completion status of contract works requires significant judgement and has a significant impact on the amount and timing of revenue recognised. The civil engineering construction works and repair and maintenance works performed by the Group would also be certified by the customers periodically according to the construction contracts. The Group regularly reviews and revises the estimation of contract revenue prepared for each contract as the contract progresses based on the internal progress reports.

(ii) Impairment assessment of contract assets and trade receivables

The management of the Group estimates the amount of lifetime ECL of contract assets and trade receivables individually based on internal credit rating. Internal credit rating has been given to each debtor after considering aging, historical observed default rates, repayment history and past due status of respective trade receivables. Estimated loss rates are based on probability of default and loss given default with reference to an external credit report and are adjusted for forward-looking information. The impairment loss amount of the contract assets and trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

6. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable from provision of civil engineering construction works and repair and maintenance works.

Disaggregation of revenue from contracts with customers

	2025 **HK$'000**	2024 HK$'000
Type of services		
Civil engineering construction works	**—**	201
Repair and maintenance works	**35,155**	16,766
	35,155	16,967

Determination of transaction price

Most of the Group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices except that some contracts provides variable consideration relating to discounts, which has been constrained in estimating contract revenue in order that it is highly probable that there will not be a future reversal in the amount of revenue recognised when the amount of discount has been determined.

6. REVENUE AND SEGMENT INFORMATION *(continued)*

Performance obligations for contracts with customers

A contract asset is recognised over the period in which the contract services are performed representing the Group's right to consideration for the services performed because the rights are conditional on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional.

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

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

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts for civil engineering construction works and repair and maintenance works such that the Group need not disclose the information of remaining performance obligations at the end of the year provided that these contracts have expected durations of one year or less.

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker ("**CODM**"), Mr. Ha and Mr. Ip, the executive directors, for the purposes of resource allocation and assessment of segment performance focuses on types of services delivered or provided. Information reported to CODM is based on business line operated by the Group. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group. Specifically, the Group's reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

(i) Civil engineering construction works — Provision of civil engineering construction works of road and highway related infrastructures

(ii) Repair and maintenance works — Provision of repair and maintenance works for structures of roads and highways

6. REVENUE AND SEGMENT INFORMATION *(continued)*

The Group's CODM makes decisions according to the operating results of each segment. No analysis of segment assets and segment liabilities is presented as the Group's CODM does not regularly review such information for the purpose of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 March 2025

	Civil engineering construction works HK$'000	**Repair and maintenance works HK$'000**	**Total HK$'000**
Segment revenue			
External customers	**—**	**35,155**	**35,155**
Segment results	**—**	**9,624**	**9,624**
Impairment loss under expected credit loss model	**—**	**(7,197)**	**(7,197)**
Other income			**126**
Administrative expenses			**(8,544)**
Finance costs			**(1,260)**
Loss before taxation			**(7,251)**

For the year ended 31 March 2024

	Civil engineering construction works HK$'000	Repair and maintenance works HK$'000	Total HK$'000
Segment revenue			
External customers	201	16,766	16,967
Segment results	21	1,114	1,135
Impairment loss under expected credit loss model	—	(3,056)	(3,056)
Other income			221
Other gains/(losses), net			30
Administrative expenses			(12,476)
Finance costs			(992)
Loss before taxation			(15,138)

6. REVENUE AND SEGMENT INFORMATION *(continued)*

Segment revenue and results *(continued)*

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4 to the consolidated financial statements. Segment results mainly represented gross profit/(loss) earned by each segment without allocation of other income, other gains and losses, net, administrative expenses, impairment loss under expected credit loss model, impairment loss on property, plant and equipment, impairment loss on right-of-use assets and finance costs. This is the measure reported to CODM for the purposes of resource allocation and performance assessment. During the year ended 31 March 2025 and 2024, the impairment loss under expected credit loss model, impairment loss on property, plant and equipment and impairment loss on right-of-use assets are not included in the segment results.

Disaggregated revenue information

	2025 **HK$'000**	2024 HK$'000
Revenue recognised over time:		
Civil engineering construction works	**—**	201
Repair and maintenance works	**35,155**	16,766
	35,155	16,967

Geographical information

The Group's operations are principally located in Hong Kong and all of the Group's revenue are derived from and non-current assets are mainly located in Hong Kong.

6. REVENUE AND SEGMENT INFORMATION *(continued)*

Information about major customers

Revenue from customers for the year individually contributing over 10% of the Group's revenue is as follows:

	2025 **HK$'000**	2024 HK$'000
Customer A[1]	**35,119**	14,259
Customer B[1]	**N/A[2]**	2,108
Customer C[1]	**N/A[2]**	N/A[2]

[1] *Revenue from repair and maintenance works.*

[2] *The corresponding revenue did not contribute over 10% of total revenue of the Group in the respective year.*

7. OTHER INCOME

	2025 **HK$'000**	2024 HK$'000
Bank interest income	**6**	59
Release of long due accrual *(note)*	**120**	—
Others	**—**	162
	126	221

Note: During the current year, the Group has released HK$120,000 of accruals balances that have been past due for over 6 or 7 years but no invoices received after the contract is completed.

8. OTHER GAINS

	2025 **HK$'000**	2024 HK$'000
Gain on disposal of property, plant and equipment	**—**	30

9. FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interests on a loan from a shareholder	**960**	960
Interest on other loan	**265**	—
Interest on overdrafts	**20**	—
Interests on lease liabilities	**15**	32
	1,260	992

10. INCOME TAX CREDIT

	2025 HK$'000	2024 HK$'000
Current tax — Hong Kong Profits Tax	**—**	—
Deferred tax	**—**	—
	—	—

Pursuant to the rules and regulations of Cayman Islands and the British Virgin Islands (the "**BVI**"), the Group is not subject to any income tax under such jurisdictions for the years ended 31 March 2025 and 2024.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits. No provision for Hong Kong profits tax has been made as the group companies have no assessable profits or have sufficient tax losses brought forward to set off against current year's estimated assessable profits for both years.

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

	2025 HK$'000	2024 HK$'000
Loss before taxation	**(7,251)**	(15,138)
Tax credit at Hong Kong Profits Tax rate of 16.5% (2022: 16.5%)	**(1,196)**	(2,498)
Tax effect of expenses not deductible for tax purpose	**1,211**	692
Tax effect of income not taxable for tax purpose	**(1)**	(5)
Tax effect of deductible temporary differences not recognised	**17**	(9)
Tax effect of unused tax loss not recognised	**1,337**	2,667
Tax effect of utilisation of tax loss	**(1,369)**	(844)
Others	**1**	(3)
Income tax credit for the year	**—**	—

In respect of deferred tax assets and liabilities, details are set out in note 25 to the consolidated financial statements.

11. LOSS FOR THE YEAR

	2025 HK$'000	2024 HK$'000
Loss for the year has been arrived at after charging:		
Directors' remuneration		
Fees	747	250
Salaries and other allowances	1,440	1,440
Retirement benefits scheme contributions	48	49
	2,235	1,739
Other staff costs:		
Salaries and other allowances	6,463	8,905
Retirement benefits scheme contributions	233	152
Total staff costs	6,696	10,796
Auditor's remuneration	750	750
Expenses relating to short-term leases		
— Office premises	—	28
— Machinery and equipment	1,199	454
	1,199	482
Material costs	3,453	1,274
Depreciation on property, plant and equipment	454	705
Depreciation on right-of-use assets	193	390

12. DIVIDEND

No dividend was paid or proposed during the year, nor has any dividend been proposed since the end of reporting period (2024: HK$nil).

13. DIRECTORS' EMOLUMENTS

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

	Directors' fee HK$'000	Salaries and other allowances HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2025				
Executive directors:				
Mr. Ha	—	720	18	738
Mr. Ip	—	720	18	738
Independent non-executive directors:				
Mr. Chu Jinzhe ("**Mr. Chu**") (appointed on 27 September 2024)	307	—	—	307
Dr. Fok Wai Sun ("**Dr. Fok**")	120	—	6	126
Ms. Liu Yuchao ("**Ms. Liu**") (appointed on 29 October 2024)	50	—	—	50
Ms. Tang Shui Man ("**Ms. Tang**")	120	—	6	126
Ms. Wu Jing ("**Ms. Wu**")	150	—	—	150
Total	747	1,440	48	2,235

	Directors' fee HK$'000	Salaries and other allowances HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2024				
Executive directors:				
Mr. Ha	—	720	18	738
Mr. Ip	—	720	18	738
Independent non-executive directors:				
Dr. Fok Wai Sun ("**Dr. Fok**")	120	—	6	126
Mr. Yuk Kai Yao ("**Mr. Yuk**") (resigned on 2 May 2023)	10	—	1	11
Ms. Tang Shui Man ("**Ms. Tang**")	120	—	6	126
Ms. Wu Jing ("**Ms. Wu**") (appointed on 2 May 2023)	—	—	—	—
Total	250	1,440	49	1,739

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

13. DIRECTORS' EMOLUMENTS *(continued)*

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

During both years, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

None of the directors waived or agreed to waive any emoluments in both years.

14. EMOLUMENTS OF FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals of the Group during the year included two directors (2024: two directors). Details of their emoluments are set out in note 13 above. Details of the emoluments of the remaining three (2024: three) highest paid non-director individuals for the year, are as follows:

	2025 **HK$'000**	2024 HK$'000
Salaries and other benefits	**1,327**	1,102
Retirement benefits scheme contributions	**25**	38
	1,352	1,140

Discretionary bonus was determined with reference of the Group's operating result and individual performance for such financial year.

The emoluments were within the following band:

	2025 **No of** **individuals**	2024 No of individuals
Nil to HK$1,000,000	**3**	3

During both years, no emoluments were paid by the Group to the remaining three (2024: three) highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

15. LOSS PER SHARE

(a) Basic loss per share

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

	2025 HK$'000	2024 HK$'000
Loss		
Loss for the purpose of basic loss per share	**(7,251)**	(15,138)

	2025	2024
Weighted average number of ordinary shares		
Weighted average number of ordinary shares in issue during the year	**142,575,879**	118,530,137

(b) Diluted loss per share

Diluted loss per share for the years ended 31 March 2025 and 2024 are the same as the basic loss per share of the Company as there are no dilutive potential ordinary shares for the years ended 31 March 2025 and 2024.

16. PROPERTY, PLANT AND EQUIPMENT

	Construction equipment HK$'000	Furniture, fixtures and equipment HK$'000	Computer HK$'000	Motor Vehicles HK$'000	Total HK$'000
COST					
At 1 April 2023	7,952	373	76	2,662	11,063
Additions	—	—	—	98	98
Disposal	(2,958)	(29)	(26)	(295)	(3,308)
At 31 March 2024 and 1 April 2024	**4,994**	**344**	**50**	**2,465**	**7,853**
Additions	**—**	**—**	**—**	**170**	**170**
At 31 March 2025	**4994**	**344**	**50**	**2,635**	**8,023**
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At 1 April 2023	6,750	373	71	2,656	9,850
Depreciation for the year	695	—	2	8	705
Written back on disposal	(2,896)	(29)	(26)	(295)	(3,246)
At 31 March 2024 and 1 April 2024	**4,549**	**344**	**47**	**2,369**	**7,309**
Depreciation for the year	**373**	**—**	**3**	**78**	**454**
At 31 March 2025	**4,922**	**344**	**50**	**2,447**	**7,763**
CARRYING VALUES					
At 31 March 2025	**72**	**—**	**—**	**188**	**260**
At 31 March 2024	445	—	3	96	544

The above items of property, plant and equipment are depreciated over their estimated useful lives, after taking into account of their estimated residual value, using straight-line method, at the following rates per annum:

Construction equipment	30%
Furniture, fixtures and equipment	20%
Computer	20%
Motor vehicles	30%

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

17. RIGHT-OF-USE ASSETS

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Motor Vehicles HK$'000	Leased properties HK$'000	Total HK$'000
As at 31 March 2025			
Carrying amount	**113**	**27**	**140**
As at 31 March 2024			
Carrying amount	—	193	193
For the year ended 31 March 2025			
Depreciation charge for the year	**28**	**165**	**193**
For the year ended 31 March 2024			
Depreciation charge for the year	253	137	390

	Year ended 31 March 2025 HK$'000	Year ended 31 March 2024 HK$'000
Expenses relating to short-term leases	**1,198**	482
Total cash outflow for leases	**214**	416
Additions to right-of-use assets	**140**	330

For both years, the Group leases various motor vehicles and office for its operations. Lease contracts are entered into for fixed term of 2 to 3 years, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Details of the carrying amount and contractual maturity analysis of lease liabilities and total cash outflow for leases are set out in note 29(b) to the consolidated financial statements.

18. CONTRACT ASSETS

	2025 HK$'000	2024 HK$'000
Unclaimed revenue *(note a)*	**12,653**	12,652
Retention receivables *(note b)*	**8,376**	7,500
	21,029	20,152
Less: impairment loss	**(14,708)**	(14,496)
	6,321	5,656

Notes:

(a) Unclaimed revenue represents the Group's right to receive consideration for work completed but not yet claimed because the right is conditional upon the satisfaction by the customers on the contract work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed contract work from the customers or external surveyors.

(b) Retention receivables represents the Group's right to receive the receivables because the right is conditional until the expiry of defect liability period. The retention receivables are transferred to the trade receivables when the rights become unconditional. Retention receivables are unsecured, interest-free and recoverable at the end of the defect liability period of individual contracts, ranging from 1 to 2 years from the date of the completion of the respective project. The Group does not hold any collateral over these balances.

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

Details of the impairment assessment of contract assets for the years ended 31 March 2025 and 2024 are set out in note 29(b) to the consolidated financial statements.

19. TRADE AND OTHER RECEIVABLES

	2025 HK$'000	2024 HK$'000
Current		
Trade receivables	**40,343**	43,616
Less: impairment loss	**(20,079)**	(23,313)
	20,264	20,303
Other receivables, deposits and prepayments (*note*)	**1,086**	1,157
Less: impairment loss	**(992)**	(1,022)
Total trade and other receivables	**20,358**	20,438

Note: Other receivables, deposits and prepayments mainly represented deposits paid of HK$61,000 (2024: HK$82,000).

Trade receivables

The Group recognises trade receivables upon obtaining the completion of work certificates/issuance of invoices. The payment certificates will generally be issued by project employer one month to ten months after obtaining the completion of work certificates/issuance of invoices for billing purpose and the credit term granted to customers is generally 30 days from the date of invoice.

The following is an aged analysis of trade receivables, net of impairment loss, presented based on date of completion of work certificate/invoice at the end of each reporting period:

	2025 HK$'000	2024 HK$'000
0–30 days	**6,857**	2,069
31–60 days	**421**	—
61–90 days	**1,022**	—
91–180 days	**3,364**	—
181–365 days	**—**	—
> 365 days	**8,600**	18,234
	20,264	20,303

The Group rebutted the presumption of default under ECL model for trade receivables over 90 days past due based on the historical and periodic repayments records and continuous business relationship with those customers.

At 31 March 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$13,407,000 (2024: HK$18,234,000) which are past due as at the reporting date. Out of the past due balances, HK$8,600,000 (2024: HK$18,234,000) has been past due for 90 days or more and is not considered as default due to long-term on-going relationship with and past payment history of these debtors.

Details of impairment assessment of trade and other receivables for the years ended 31 March 2025 and 2024 are set out in note 29(b) to the consolidated financial statements.

20. AMOUNTS DUE TO SHAREHOLDERS

The Group

	Maximum balance outstanding during the year HK$'000	2025 HK$'000	2024 HK$'000
Amounts due to shareholders *(note)*			
Mr. Ha	**7,047**	**7,047**	5,988
Mr. Ip	**2,950**	**2,950**	2,950
		9,997	8,938

Note: Included in the amount due to Mr. Ha as at 31 March 2025, HK$7,950,000 (2024: HK$7,950,000) is an unsecured twelve-month loan, interest-bearing at 12.00% per annum and originally due on 9 January 2024 and extended to 31 January 2026. Upon the original and extended due dates, the Company and Mr. Ha entered into a supplemental agreement to further extend the due date for one year and other terms remained unchanged. The remaining amounts due to Mr. Ha and Mr. Ip are non-trade in nature, unsecured, interest-free and repayable on demand. All directors have agreed in writing that they would not demand repayment from the Group until the Group is in a position to repay.

21. BANK BALANCES AND CASH

Bank balances and cash comprise bank balances and cash on hand. The bank balances as at 31 March 2025 carry interest at prevailing market interest rate at 0.01% (2024: 0.01%) per annum.

22. TRADE AND OTHER PAYABLES

	2025 HK$'000	2024 HK$'000
Trade payables	**3,142**	1,612
Accrued expenses	**3,757**	3,756
Accrued payroll expenses	**1,741**	1,905
Total trade and other payables	**8,640**	7,273

Trade payables

The average credit period on trade payables is 30 days. The following is an aged analysis of trade payables presented based on the date of invoices/payment certificates at the end of each reporting period:

	2025 HK$'000	2024 HK$'000
0–30 days	**—**	—
31–60 days	**—**	—
61–90 days	**—**	—
> 90 days	**3,142**	1,612
	3,142	1,612

23. OTHER LOAN

	2025 HK$'000	2024 HK$'000
Unsecured loan	**1,457**	—

The carrying amounts of above borrowings are repayable:

	2025 HK$'000	2024 HK$'000
Within one year shown under current liabilities	**1,457**	—

The Group's variable-rate borrowings carry interest at a fixed rate of 1.2% per month and 4.0% per month respectively. As at 31 March 2025, HK$379,000 represents a loan from a related party at a fixed rate of 4.0% per month.

24. LEASE LIABILITIES

	2025 HK$'000	2024 HK$'000
Lease liabilities payable:		
Within one year	**75**	168
Within a period of more than one year but not more than two years	**63**	29
	138	197
Less: Amount due for settlement with 12 months shown under current liabilities	**(75)**	(168)
Amount due for settlement after 12 months shown under non-current liabilities	**63**	29

The weighted average incremental borrowing rate applied is 5.03% per annum (2024: 5.13% per annum).

25. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to tax levied by the same taxation authority on the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	2025 HK$'000	2024 HK$'000
Deferred tax liability	**(9)**	(9)

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through taxable profits is probable. At the end of the reporting period, the Group had unused tax losses of approximately HK$76,980,000 (2024: HK$81,528,000) available for offset against future profits and carried forward indefinitely in Hong Kong. No deferred tax asset has been recognised in respect of the unused tax losses of approximately HK$76,980,000 (2024: HK$81,528,000) due to the unpredictability of future profits streams.

25. DEFERRED TAX LIABILITIES *(continued)*

The following is the deferred tax assets and liabilities recognised by the Group and movement thereon during the year:

	Accelerated tax depreciation HK$'000
At 1 April 2023, 31 March 2024 and 1 April 2024	**(9)**
Credit to the profit or loss for the year	—
At 31 March 2025	**(9)**

26. SHARE CAPITAL

	Number of Shares	Amount HK$'000
Ordinary shares of HK$0.1 each		
Authorised:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	200,000,000	20,000

	Number of shares	Share capital HK$'000
Issued and fully paid:		
At 1 April 2023	114,220,000	11,422
Issued *(note a)*	22,800,000	2,280
At 31 March 2024 and 1 April 2024	137,020,000	13,702
Issued *(note b)*	27,404,000	2,740
At 31 March 2024	164,424,000	16,442

Notes:

(a) The Company issued 22,800,000 Placing Shares of at the Placing price of HK$0.10 per Placing Share. The Placing Agreement have been fulfilled and Completion took place on 22 January 2024.

(b) As at 10 December 2024, a total of 27,404,000 Placing Shares of HK$0.12 per Placing Share have been completed.

27. SHARE OPTIONS SCHEME

The share option scheme was conditionally adopted pursuant to the written resolutions of the shareholders passed on 21 September 2018 (the "**Adoption Date**"). The purpose of the share option scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to it. This will be in accordance with Chapter 23 of the GEM Listing Rules and other relevant rules and regulations.

The share option scheme will remain in force for a period of ten years commencing on the Adoption Date.

The directors may grant any employee, director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe shares in accordance with the terms of the share option scheme.

The maximum number of shares issuable upon exercise of all options to be granted under the share option scheme must not in aggregate exceed 10% of all the shares in issue as at the listing date. Therefore, it is expected that the Company may grant options in respect of up to 48,000,000 shares (or such numbers of shares as shall result from a sub-division or a consolidation of such 48,000,000 shares from time to time) to the participants under the share option scheme.

The aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the share option scheme must not exceed 30% of the shares in issue from time to time.

Unless approved by shareholders of the Company, the total number of shares issued and to be issued upon exercise of options granted under the share option scheme in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue.

An option may be exercised in accordance with the terms of the share option scheme at any time during a period as the directors may determine which shall not exceed ten years from the date of grant.

The subscription price of a share shall be solely determined by the directors and shall be at least the higher of: (i) the closing price of shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share of the Company on the date of grant of the option.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.

No share options have been granted, exercised or cancelled by the Company under the scheme since its adoption.

28. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of trade and other payables, amounts due to shareholders, lease liabilities and equity attributable to owners of the Company, comprising issued share capital, share premium, other reserve, exchange reserve and accumulated losses.

The management of the Group reviews the capital structure on a continuous basis. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends or new share issues as well as the issue of new debts and redemption of existing debts. The net debts-to-equity ratios at 31 March 2025 and 2024 were as follows:

	2025	2024
	HK$'000	HK$'000
Total debts:		
Trade and other payables	**8,640**	7,273
Other loan	**1,457**	—
Amounts due to shareholders	**15,819**	13,899
Lease liabilities	**197**	197
	26,054	21,369
Less: Cash and cash equivalents		
Bank balances and cash	**(464)**	(851)
Net debts	**25,590**	20,518
Equity	**7,303**	11,265
Net debts-to-equity ratio	**350.4%**	182.1%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

29. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 HK$'000	2024 HK$'000
Financial assets		
Financial assets at amortised cost	**20,822**	21,289
Financial liabilities		
Financial liabilities at amortised cost	**20,232**	16,408

(b) Financial risk management objectives and policies

The Group's financial instruments include trade and other receivables, amount due from a related company, bank balances and cash, trade and other payables, amounts due to shareholders and lease liabilities.

Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances, as set out in note 21. The Group is also exposed to fair value interest rate risk in relation to lease liabilities as set out in note 24. The Group currently does not have an interest rate hedging policy. The directors monitor the Group's exposures on an ongoing basis and will consider hedging the interest rate should the need arises.

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

29. FINANCIAL INSTRUMENTS *(continued)*

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

Credit risk and impairment assessment

As at 31 March 2025 and 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets and contract assets as stated in the consolidated statement of financial position.

The Group is exposed to concentration of credit risk as at 31 March 2025 on contract assets and trade receivables from the Group's 1 (2024: 1) major customers amounting to HK$17,894,000 (2024: HK$48,975,000) and accounted for 57% (2024: 73%), of the Group's total gross amount of contract assets and trade receivables. In the opinion of the management of the Group, the major customers of the Group are certain reputable and sizable companies in the market with good settlement history. The management of the Group considers that the credit risk is limited in this regard.

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

In addition, the management of the Group performs impairment assessment under ECL model on trade balances and contract assets individually. Internal credit rating has been given to each debtor after considering aging, historical observed default rates, repayment history and past due status of respective trade receivables and contract assets. Estimated loss rates are based on probability of default and loss given default with reference to an external credit report and are adjusted for forward-looking information that is reasonable and supportable available without undue costs or effort and trade receivables and contract assets with credit impaired were assessed based on the probability of the sums expected to be recovered.

29. FINANCIAL INSTRUMENTS *(continued)*

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

Credit risk and impairment assessment *(continued)*

Trade receivables and contract assets arising from contracts with customers (continued)

The management of the Group also actively monitors the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. The management of the Group reviews the recoverable amount of these receivables and contract assets at the end of the reporting period.

Bank balances

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group is exposed to concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings.

Other receivables

For the purposes of internal credit risk management on other receivables, the management of the Group considers the financial capacity of the debtors to assess whether credit risk has increased significantly since initial recognition.

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

Internal credit rating	Description	Trade receivables/ contract assets	Other financial assets
Low risk	The counterparty has a low risk of default or does not have any past-due amounts	Lifetime ECL — not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle after due date	Lifetime ECL — not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty or there is a disagreement with customers and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

29. FINANCIAL INSTRUMENTS *(continued)*

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

Credit risk and impairment assessment *(continued)*

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

2025	Notes	External credit rating	Internal credit rating	12-month or Lifetime ECL	Loss rate	Gross carrying amount HK$'000
Financial assets at amortised cost						
Trade receivables	19	N/A	Low risk *(note 1)*	Lifetime ECL — not credit-impaired	9.4%	13,407
			Doubtful *(note 1)*	Lifetime ECL — not credit-impaired	57.6%	21,440
			Loss *(note 1)*	Lifetime ECL — credit-impaired	100%	5,496
						40,343
Other receivables and deposits	19	N/A	Low risk *(note 2)*	12m ECL	2.5%	94
			Loss *(note 2)*	Lifetime ECL — credit-impaired	100%	992
Bank balances	21	Baa1 to Aa2	N/A	12m ECL	N/A	464
Other item						
Contract assets	18	N/A	Low risk *(note 1)*	Lifetime ECL — not credit-impaired	12.0%	6,237
			Doubtful *(note 1)*	Lifetime ECL — not credit-impaired	57.6%	1,967
		N/A	Loss *(note 1)*	Lifetime ECL — credit-impaired	100%	12,825
						21,029

29. FINANCIAL INSTRUMENTS *(continued)*

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

Credit risk and impairment assessment *(continued)*

2024	Notes	External credit rating	Internal credit rating	12-month or Lifetime ECL	Loss rate	Gross carrying amount HK$'000
Financial assets at amortised cost						
Trade receivables	19	N/A	Low risk *(note 1)*	Lifetime ECL — not credit-impaired	9.4%	6,462
			Doubtful *(note 1)*	Lifetime ECL — not credit-impaired	54.3%	31,658
			Loss *(note 1)*	Lifetime ECL — credit-impaired	100%	5,496
						43,616
Other receivables and deposits	19	N/A	Low risk *(note 2)*	12m ECL	2.4%	135
			Loss *(note 2)*	Lifetime ECL — credit-impaired	100%	1,022
Bank balances	21	Baa1 to Aa2	N/A	12m ECL	N/A	851
Other item						
Contract assets	18	N/A	Low risk *(note 1)*	Lifetime ECL — not credit-impaired	11.3%	5,361
			Doubtful *(note 1)*	Lifetime ECL — not credit-impaired	54.3%	1,966
		N/A	Loss *(note 1)*	Lifetime ECL — credit-impaired	100%	12,825
						20,152

Notes:

1. *For contract assets and trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the impairment loss using lifetime ECL. The Group assessed the expected credit losses for each debtor individually.*

2. *For the purposes of internal credit risk management, the Group considers the financial capacity of the debtors to assess whether credit risk has increased significantly since initial recognition. In determining the ECL for other receivables and deposits and amount due from a related company, the Group has given internal credit rating to each debtor after considering the historical default experience, repayment history and forward-looking information, as appropriate, and concluded that credit risk inherent in the outstanding balance of deposits and amount due from a related company is insignificant. During the year ended 31 March 2025, the Group neither provided nor reversed any impairment loss on other receivables (2024: nil).*

29. FINANCIAL INSTRUMENTS *(continued)*

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

Credit risk and impairment assessment *(continued)*

During the year ended 31 March 2025, the Group provided HK$11,858,000 and reversed HK$4,903,000 (2024: provided HK$3,286,000 and reversed HK$1,182,000) impairment loss for trade receivables and HK$10,189,000 were written off (2024: HK$nil). Trade receivables of HK$5,496,000 (2024: HK$5,496,000) was considered to be credit-impaired during the year ended 31 March 2025.

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

	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 1 April 2023	1,235	19,974	21,209
Transfer	14,630	(14,630)	—
Impairment loss recognised	3,131	155	3,286
Impairment loss reversed	(1,179)	(3)	(1,182)
At 31 March 2024 and 1 April 2024	**17,817**	**5,496**	**23,313**
Impairment loss recognised	**11,858**	**—**	**11,858**
Write-offs	**(10,189)**	**—**	**(10,189)**
Impairment loss reversed	**(4,903)**	**—**	**(4,903)**
At 31 March 2025	**14,583**	**5,496**	**20,079**

On 31 January 2023, the customer filed a defence and counter-claim on the statement of claim served by the Group during the year ended 31 March 2022 and claimed an over-payment to the Group in prior years. On 15 May 2023, the Group filed a "Reply and Defence to counter-claim" to the court which denied the customer's claims. The customer and the Group are still in disputes on the amount of claim. After obtaining legal advice, the Group considers that the possibility of cash outflow is remote. Up to the date of authorisation for issue of these consolidated financial statements, there is no significant progress on the case.

29. FINANCIAL INSTRUMENTS *(continued)*

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

Credit risk and impairment assessment *(continued)*

The Group writes off a trade receivables when there is information indicating that the debtor is in severe financial difficulty or there is disagreement to the balances and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, has entered into bankruptcy proceedings or determined as uncollectible.

During the year ended 31 March 2025, the Group recognised HK$212,000 and reversed HK$nil (2024: provided HK$1,906,000 and reversed HK$954,000) impairment loss for contract assets, respectively. Contract assets of HK$12,825,000 (2024: HK$12,825,000) was considered to be credit-impaired during the year ended 31 March 2025.

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

	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 1 April 2023	824	12,720	13,544
Transfer	(474)	474	—
Impairment loss recognised	1,906	—	1,906
Impairment loss reversed	(585)	(369)	(954)
At 31 March 2024 and 1 April 2024	**1,671**	**12,825**	**14,496**
Impairment loss recognised	**212**	**—**	**212**
At 31 March 2025	**1,883**	**12,825**	**14,708**

During the year ended 31 March 2025 and 2024, the Group neither provided nor reversed any impairment loss on a deposit and other receivables, respectively.

29. FINANCIAL INSTRUMENTS *(continued)*

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

Credit risk and impairment assessment *(continued)*

The following table shows the movement in 12m ECL and lifetime ECL that has been recognised for other receivables under general approach ECL model.

	12m ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 1 April 2023, 31 March 2024 and 1 April 2024	—	1,022	1,022
Impairment loss write-offs	—	(30)	(30)
At 31 March 2025	—	922	922

Liquidity risk

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

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

29. FINANCIAL INSTRUMENTS *(continued)*

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

Liquidity risk *(continued)*

The table includes both interest and principal cash flows.

	Weighted average interest rate %	On demand or within 1 year HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 March 2025						
Non-derivative financial liabilities						
Trade and other payables	N/A	8,640	—	—	8,640	8,640
Amounts due to shareholders[1]	N/A	9,997	—	—	9,997	9,997
Other loan	23.57	1,457	—	—	1,457	1,457
Lease liabilities	5.03	83	54	13	150	138
		20,177	54	13	20,244	20,232

	Weighted average interest rate %	On demand or within 1 year HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 March 2024						
Non-derivative financial liabilities						
Trade and other payables	N/A	7,273	—	—	7,273	7,273
Amounts due to shareholders[1]	N/A	8,938	—	—	8,938	8,938
Lease liabilities	6.89	174	29	—	203	197
		16,385	29	—	16,414	16,408

[1] *Out of the amounts, HK$7,950,000 is interest bearing at 12.00% per annum. Details are set out in note 20 to the consolidated financial statements.*

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest payable included in trade and other payable	Other loan	Lease liabilities	Amounts due to shareholders	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2023	—	—	399	12,873	13,272
Financing cash flows	—	—	(416)	974	558
Finance costs recognised	—	—	32	960	992
Lease commencement	—	—	182	—	182
Transfer from amounts due from shareholders	—	—	—	(5,869)	(5,869)
At 31 March 2024 and 1 April 2024	**—**	**—**	**197**	**8,938**	**9,135**
Financing cash flows	**(20)**	**1,457**	**(214)**	**99**	**1,322**
Finance costs recognised	**285**	**—**	**15**	**960**	**1,260**
Lease commencement	**—**	**—**	**140**	**—**	**140**
At 31 March 2025	**265**	**1,457**	**138**	**9,997**	**11,857**

31. RETIREMENT BENEFITS PLANS

The Group participates in the MPF Scheme for all qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF scheme are held separately from those of the Group, in funds under the control of an independent trustees. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme.

The retirement benefits scheme contributions arising from the MPF Scheme charged to profit or loss of HK$281,000 (2024: HK$201,000) represent contributions payable to the funds by the Group at rates specified in the rules of the scheme.

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

Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57)

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

Last monthly wages (before termination of employment) × 2/3 × Years of service

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

31. RETIREMENT BENEFITS PLANS *(continued)*

Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57) *(continued)*

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

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

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

32. RELATED PARTY DISCLOSURES

(i) Transactions

During the year, the Group entered into the following transactions with its related parties:

Name of related parties	Nature of transactions	2025 HK$'000	2024 HK$'000
Mr. Ha	Advances	—	5,871
Mr. Ha	Financing	(1,059)	(10,899)
Mr. Ip	Financing	—	(2,950)
Kaiser Global (China) Company Limited	Purchase of raw material	495	—

For the terms of financing and advances, details are set out in note 20 to the consolidated financial statements.

(ii) Balances

Details of the balances with shareholders and a related company are set out in the note 20 and 23 to consolidated statement of financial statements.

(iii) Compensation of key management personnel

The directors are identified as key management members of the Company, and their compensation during the years ended 31 March 2025 and 2024 were set out in note 13.

33. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 HK$'000	2024 HK$'000
Non-current assets		
Investments in subsidiaries	**19,368**	19,354
Amounts due from subsidiaries	**15,353**	15,370
	34,721	34,724
Current assets		
Bank balances and cash	**—**	213
	—	213
Current liabilities		
Other payables	**3,372**	3,506
Amounts due to shareholders	**11,756**	10,796
	15,128	14,302
Net current liabilities	**(15,128)**	(14,089)
Total assets less current liabilities	**19,593**	20,635
Capital and reserves		
Share capital	**16,442**	13,702
Reserves	**3,151**	6,933
Total equity	**19,593**	20,635

Movement in the Company's reserves

	Share premium *(Note (i))* HK$'000	**Other reserve** *(Note (ii))* HK$'000	**Accumulated losses** *(Note (iii))* HK$'000	**Total** HK$'000
At 1 April 2023	67,684	13,917	(70,023)	11,578
Loss and total comprehensive income for the year	—	—	(4,645)	(4,645)
At 31 March 2024 and 1 April 2024	**67,684**	**13,917**	**(74,668)**	**6,933**
Loss and total comprehensive income for the year	**—**	**—**	**(4,330)**	**(4,330)**
Issue of shares	**548**	**—**	**—**	**548**
At 31 March 2025	**68,232**	**13,917**	**(78,998)**	**3,151**

(i) Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less the capitalisation of new shares on 21 September 2018 and expenses incurred in connection with the issue of the shares.

(ii) On 21 September 2018, Talent Prime and Infinite Honor transferred the entire issued share capital of China Talents to the Company. As settlement of the consideration, the Company allotted and issued 9,200 and 700 ordinary shares of the Company to Talent Prime and Infinite Honor, respectively, at HK$0.01 each share. The amount represented the difference between the net assets value of China Talents upon transfer and the share capital issued by the Company.

(iii) Cumulative net losses recognised in profit or loss.

34. PARTICULARS OF SUBSIDIARIES

Details of the Company's subsidiaries at 31 March 2025 and 2024 are as follows:

Name of subsidiary	Place of incorporation	Date of incorporation	Issued and fully share paid-up capital	Equity attributable to the Company As at 31 March 2025	2024	Principal activities and place of operation
China Talents[1]	The BVI	17 February 2017	US$10,000	**100%**	100%	Investment holding
TMD	Hong Kong	29 April 2010	HK$4,200,000	**100%**	100%	Civil engineering construction works of road and highway related infrastructure and repair and maintenance works for structures of roads and highways in Hong Kong
TMC	Hong Kong	4 April 2014	HK$2	**100%**	100%	Repair and maintenance works for structures of roads and highways in Hong Kong

1 *Directly held by the Company.*

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

35. CONTINGENT LIABILITIES

Save as disclosed in note 29(b) and this note to consolidated financial statements, the Group did not have other material contingent liabilities to be disclosed.

36. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 March 2025, the Group has proposed capital reorganisation and proposed Rights Issue as below:

(a) On 23 May 2025, the Company proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares with par value of HK$0.10 each be consolidated into one (1) Consolidated Share with par value of HK$1.00 each;

(b) On 23 May 2025, the Company propose that (i) the issued share capital of the Company will be reduced by cancelling the paid up capital to the extent of HK$0.99 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK$1.00 to HK$0.01; and (ii) immediately following the Capital Reduction becoming effective, each authorised but unissued Consolidated Shares will be subdivided into 100 authorised but unissued New Ordinary Shares with par value of HK$0.01 each; and

(c) On 23 May 2025, the Company proposes to raise gross proceeds of up to approximately HK$27.5 million before expenses by way of Rights Issue of up to 41,106,000 Rights Shares at the Subscription Price of HK$0.67 per Rights Share on the basis of five (5) Rights Shares of every two (2) New Ordinary Shares held on the Record Date. On 23 May 2025, the Company and Pinestone Securities Limited entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placees.

FINANCIAL SUMMARY

	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
For the year					
Revenue	**35,155**	16,967	29,430	42,469	42,157
Loss before taxation	**(7,251)**	(15,138)	(27,438)	(20,554)	(27,743)
Loss attributable to equity holders of the Company	**(7,251)**	(15,138)	(27,261)	(20,402)	(29,538)
At year end					
Total assets	**27,543**	27,682	43,682	73,126	82,328
Total liabilities	**20,241**	16,417	19,559	21,742	49,797
Total equity attributable to equity holders of the Company	**7,302**	11,265	24,123	51,384	32,531