

# NIU HOLDINGS LIMITED

(formerly known as King Of Catering (Global) Holdings Ltd.)

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8619

*Annual  
Report*

**2025**



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*This report, for which the directors (the “**Directors**”) of NIU Holdings Limited (formerly known as “King Of Catering (Global) Holdings Ltd.”) (the “**Company**”) 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 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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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Ms. Leung Suet Yiu  
Mr. Man Kwok Hing  
Mr. Tsang Wing Ki (*Managing Director*)  
(Appointed on 3 April 2024)  
Mr. Leung Chun Yu Edmund  
(Appointed on 23 August 2024)  
Dr. Chan Yin Nin (*Chairman*)  
(Resigned on 31 March 2025)  
Mr. Kwong Po Lam (*Managing Director*)  
(Resigned on 5 November 2024)  
Mr. Kazuya Yanagihara (Resigned on 31 March 2025)

### Non-Executive Directors

Mr. Yuen Chi Ping (*Chairman*)  
(Appointed on 1 April 2025)  
Mr. Takeda Masahiro (Appointed on 3 April 2024)  
Mr. Fukumitsu Hirokazu (Resigned on 31 March 2025)

### Independent Non-Executive Directors

Ms. Siu Yuk Ming  
Ms. Lung Wing Yee (Appointed on 23 December 2024)  
Mr. Leung Man Chun (Appointed on 31 March 2025)  
Mr. Choy Wai Shek, Raymond, *MH, JP*  
(Resigned on 23 December 2024)  
Mr. Sze Kyran, *MH* (Resigned on 23 December 2024)  
Mr. Hidaka Masakage (Resigned on 31 March 2025)

## COMPANY SECRETARY

Mr. Ng Chun Chung

## AUTHORISED REPRESENTATIVES

Mr. Ng Chun Chung  
Mr. Tsang Wing Ki (*Managing Director*)

## AUDIT COMMITTEE

Ms. Siu Yuk Ming (*Chairlady*)  
Ms. Lung Wing Yee  
Mr. Leung Man Chun

## REMUNERATION COMMITTEE

Mr. Leung Man Chun (*Chairman*)  
Ms. Siu Yuk Ming  
Ms. Lung Wing Yee

## NOMINATION COMMITTEE

Ms. Lung Wing Yee (*Chairlady*)  
Ms. Siu Yuk Ming  
Mr. Leung Man Chun

## AUDITOR

McMillan Woods (Hong Kong) CPA Limited

## REGISTERED OFFICE

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

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11/F, Metropole Square  
No. 2 On Yiu Street  
Shek Mun, Shatin  
New Territories, Hong Kong

# Corporate Information

## **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong SAR

## **PRINCIPAL BANKERS**

CMB Wing Lung Bank Limited  
Industrial and Commercial Bank of China (Asia) Limited  
Bank of China (HK) Limited

## **WEBSITE ADDRESS**

[www.wcce.hk](http://www.wcce.hk)

## **PLACE OF LISTING**

GEM of the Stock Exchange

## **STOCK CODE**

8619

# Chairman's Statement

Dear Shareholders,

On behalf of the Board of NIU Holdings Ltd., I am pleased to present the annual report of the Group for the financial year ended 31 March 2025 to our shareholders.

## REVIEW

The previous year was marked by significant global shifts and economic instability. However, there remained a stable demand in the geotechnical engineering and construction sectors in both Hong Kong and Mainland China, though market emphasis increasingly favored intelligent and digital approaches across engineering, data center development, infrastructure projects and housing. In this evolving landscape, some advisory firms in the construction sector encountered considerable difficulties due to specific circumstances.

By exercising prudent financial management, our Group preserved a relatively healthy operating cash flow. This capability enabled us to proactively seize emerging opportunities driven by swift technological advancements and shifting market dynamics, while effectively addressing associated challenges. We managed to secure and delivered numerous high-value, landmark new projects throughout the year, sustaining a substantial order backlog. This resulted in stable core operational performance for our geotechnical engineering advisory services. The contracts secured further lay a solid foundation for the Group's operations over the coming two years and beyond.

Also, the Group has made technological transformation with progress already underway. We successfully introduced IT business with deployed AI-driven analytics and Building Information Modeling (BIM) in key projects, achieving measurable improvements in design efficiency and real-time monitoring. Notably, our strategic adoption of Modular Integrated Construction (MiC) for major housing developments reduced construction cycles by approximately 20%, validating our commitment to innovation with certain outcomes.

Despite these achievements, we remain committed to persistent effort and continuous pursuit of new opportunities for business expansion to enhance shareholder returns.

## OUTLOOK

Going forward to 2026, the Group will make use of existing resources to develop current business of geotechnical engineering consultancy. Additional resources will be devoted to our new IT segment with the aim to further raise the profit of the Group through capturing opportunities available.

The IT segment is poised to play an increasingly pivotal role in our Group's growth strategy. As digital transformation accelerates across industries, we are strategically enhancing our capabilities and investments in this high-potential sector. Going forward, IT solutions and services will command greater weighting in our business portfolio.

On behalf of the Board, I extend our deep gratitude to the Group's shareholders, banking partners, customers and business associates for their steadfast support. I wish to express heartfelt thanks to our management team and staff for their unwavering commitment and valuable contributions to the Group's development.

**Mr. Yuen Chi Ping**

*Chairman*

Hong Kong, 31 July 2025

# Management Discussion and Analysis

## BUSINESS REVIEW AND OUTLOOK

The Group is a construction engineering consultant focusing on the area of comprehensive structural and geotechnical engineering design which is mainly provided in Hong Kong and Macau. During the year, the Group successfully introduced IT business in Hong Kong and PRC. The Group's consultancy services mainly cover: (i) structural engineering; (ii) geotechnical engineering; (iii) certain civil engineering practice areas; (iv) material engineering, (v) provision of IT solutions & services and (vi) procurement of IT products. The Group also provide some other related services such as Registered Structural Engineers and Authorized Persons work in relation to alteration and additions works and expert services from time to time as requested by our clients.

During the year ended 31 March 2025, the Group recorded an increase in revenue of approximately 3.3% to approximately HK\$104.3 million from approximately HK\$101.0 million for the preceding financial year. Such increase was mainly due to the slightly increase in number of projects and revenue contribution from structural and geotechnical engineering consultancy services, also provision of IT solutions service had generated approximately HK\$0.8 million for the year ended 31 March 2025 compared with last financial year.

The Group was focusing on developing business opportunities from existing clients and was looking for diversifying the types of services to be provided to various clients such as provision of equipment rental services in construction site. In the meantime, the Group changed its name to NIU Holdings Limited during the year. It represents a start of new era by not only providing construction engineering consultancy services but targets to kick in new business segments including beverage and information technology industries.

Looking forward, the Directors consider that the potential increase in supply of land for residential and commercial development is one of the key industrial drivers of the construction engineering consultancy in Hong Kong. With the Group's experienced management team and reputation in the market, the Directors consider that the Group is well-positioned to compete against its competitors under future challenges that are commonly faced by all competitors, and the Group will continue to strengthen the market position in the industry and expand the market share by securing more consultancy engineering service contracts. In the meantime, the Group will start new business segments when opportunities appear.

## FINANCIAL REVIEW

### Revenue

The revenue of the Group increased from approximately HK\$101.0 million for the year ended 31 March 2024 to approximately HK\$104.3 million for the year ended 31 March 2025, representing an increase of approximately HK\$3.3 million or 3.3%. Such increase was mainly due to the slightly increase in number of projects and revenue contribution from structural and geotechnical engineering consultancy services of construction of new properties, also provision of IT solution service had generated approximately HK\$0.8 million of approximately HK\$11.9 million for the year ended 31 March 2025 compared with last financial year.



# Management Discussion and Analysis

## Cost of Services

The cost of services increased from approximately HK\$67.7 million for the year ended 31 March 2024 to approximately HK\$79.8 million for the year ended 31 March 2025, representing an increase of approximately HK\$12.1 million or 17.9%. The cost of services mainly comprised of staff costs for professional staff and sub-consulting costs. The percentage of staff costs to total cost of services for the year ended 31 March 2025 was approximately 80.4% (for the year ended 31 March 2024: approximately 87.4%). The increase in total cost of services was mainly attributable to the net effect of (i) increase in subconsulting charges incurred for the construction projects related to structural and geotechnical engineering consultancy services; (ii) increase in staff costs and benefits as a result of additional manpower to support extra work and raises in basic salary and staff welfare for the structural and geotechnical engineering consultancy services for the year ended 31 March 2025.

## Gross Profit

Gross profit of the Group decreased by approximately HK\$8.8 million from approximately HK\$33.3 million for the year ended 31 March 2024 to approximately HK\$24.5 million for the year ended 31 March 2025, representing a decrease of approximately HK\$8.8 million or 26.4%. The gross profit margin was decreased from 33.0% for the year ended 31 March 2024 to 23.5% for the year ended 31 March 2025. The decreased was mainly caused by the decrease in number of small scale projects with higher gross profit margin in general.

## Other Income and Other Gains or Losses

Other income and other gains or losses of the Group for the years ended 31 March 2025 and 2024 were approximately HK\$1.3 million and HK\$1.7 million respectively, representing a decrease of approximately HK\$0.4 million. Such decrease was mainly attributable to the decrease in bank interest income.

## Fair Value Changes on Financial Assets at Fair Value Through Profit or Loss ("FVTPL")

During the year ended 31 March 2025, the Group recorded a gain arising from fair value changes on financial assets at FVTPL of approximately HK\$77.7 million, representing the increase of fair value of the OPS held by the Group as at 31 March 2025. In turn, the OPS's subsidiary Super X AI Technology Ltd. (Formerly known as Junee Limited) has been successfully listed on NASDAQ (Stock Code: SUPX, former Stock Code: JUNE) on 17 April 2024. The increase in market value of Super X AI Technology Ltd. is the main cause for the increase of fair value of the OPS as mentioned.

## General and Administrative Expenses

General and administrative expenses of the Group were decreased by approximately HK\$4.9 million or 12.3% from approximately HK\$40.0 million for the year ended 31 March 2024 to approximately HK\$35.1 million for the year ended 31 March 2025. General and administrative expenses primarily consisted of staff costs for accounting and administrative staff, bonus payment, staff training and welfare, depreciation and legal and professional fees. Such change was not significant compared to the total amount of expenses.



# Management Discussion and Analysis

## Finance Costs

Finance costs amounted to approximately HK\$0.4 million and HK\$0.4 million for the years ended 31 March 2025 and 2024, which represented interest expenses on lease liabilities and interest expenses on bank borrowings.

## Income Tax Expense

The Group entitled income tax credit of approximately HK\$0.5 million for the year ended 31 March 2025 and approximately HK\$0.1 million for the year ended 31 March 2024. Such change was primarily attributable to decrease in assessable profit of a major operating subsidiary of the Company for the year ended 31 March 2025.

## Profit for the Year

Profit for the year of the Group amounted to approximately HK\$64.5 million for the year ended 31 March 2025 (for the year ended 31 March 2024: profit of approximately HK\$3.7 million). The profit was primarily attributable to the fair value changes on financial asset at fair value through profit or loss of approximately HK\$77.7 million.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group has met its liquidity requirements principally through net cash flows generated from our operations. The Group's principal uses of cash have been, and are expected to continue to be, applied to operational costs. The Directors believe that in the long-term, the Group's operations will be funded by internally generated cash flows and, if necessary, additional equity financing and/or bank borrowings.

The current ratio slightly increased from approximately 3.3 times as at 31 March 2024 to 3.4 times as at 31 March 2025. The increase was mainly due to the increase in contract assets as at 31 March 2025 compared to 31 March 2024.

As at 31 March 2025, the Group had no borrowings. The gearing ratio as at 31 March 2025, calculated based on total debts divided by total equity at the end of the reporting period and multiplied by 100%, was therefore not applicable. The Directors consider the Group's financial position is sound and strong and the Group has sufficient liquidity to satisfy its funding requirements with available bank and cash balances, and bank credit facilities.

## TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the current period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

# Management Discussion and Analysis

## CAPITAL STRUCTURE

The Shares of the Company were listed on GEM of the Stock Exchange on 17 September 2018. There has been no change in the capital structure of the Group since then. The share capital of the Company only comprises of ordinary Shares.

As at 31 March 2025, the Company's authorised share capital was HK\$15,000,000 divided into 1,500,000,000 Shares at par value of HK\$0.01 each and the number of its issued ordinary Shares was 1,382,000,000. As at the date of this report, the number of issued ordinary Shares was 1,445,450,000 after completion of a placing of new shares on 30 May 2025.

## COMMITMENTS

As at 31 March 2025, the Group did not have any capital commitments (31 March 2024: nil).

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2025, the Group did not have plan for material investments and capital assets.

## SIGNIFICANT INVESTMENT

The Group did not have significant investment for the year ended 31 March 2025.

## CONTINGENT LIABILITIES

The Group did not have significant contingent liabilities as at 31 March 2025 (31 March 2024: nil).

## EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group's revenue generating operations are mainly transacted in Hong Kong dollars. In addition, the Group bank balances are mainly denominated in Hong Kong dollars. The Directors consider the impact of foreign exchange exposure to the Group is minimal. During the year ended 31 March 2025, the Group did not enter into any foreign exchange forward contracts or other hedging instrument to hedge against fluctuations.

## CHARGE ON GROUP'S ASSETS

As at 31 March 2025, general banking facilities were granted to the Company and its subsidiaries. The general banking facilities were secured by the bank deposit of HK\$2.1 million and corporate guarantee from the Company (31 March 2024: HK\$2.1 million).

# Management Discussion and Analysis

## EVENT AFTER THE REPORTING PERIOD

As at the date of this report except for describe below, there was no significant event after 31 March 2025 which was relevant to the business or financial performance of the Group that come to the attention of the Directors.

On 30 May 2025, the Company completed a placing of new shares under general mandate and newly issued 150,000,000 shares at the price of HK\$0.039 per share. The original placing price per share was HK\$0.046 per share according to the announcement dated 29 March 2024. The new proceed after deducting relevant expenses was approximately HK\$2.4 million. For details please refer to the announcement dated 30 May 2025.

## SEGMENT INFORMATION

Segment information for the Group is presented as disclosed in note 8 to the consolidated financial statements.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed a total of 161 employees (31 March 2024: 164 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$75.5 million for the year ended 31 March 2025 (for the year ended 31 March 2024: approximately HK\$78.2 million). Remuneration is mainly determined with reference to market trends, the Group's operating results and the performance, qualification and experience of individual employee. The remuneration packages mainly comprise basic salaries, medical coverage, overtime allowance, travelling allowance and discretionary bonuses based on individual performance, which are offered to employees as recognition of and reward for their contributions.

# Management Discussion and Analysis

## USE OF PROCEEDS

The shares of the Company were successfully listed on GEM of the Stock Exchange on 17 September 2018. The net proceeds from the Share Offer received by the Company was approximately HK\$26.9 million (after deduction of listing expenses). Up to 31 March 2025, we utilised the net proceeds in accordance with the designated uses set out in the Prospectus and the announcement of Company dated 5 March 2021 and 31 December 2021 in relation to the change in use of proceeds as follows:

Business strategies	Revised allocation of the total net proceeds designated in the announcement dated on 31 December 2021 HK\$' million	Actual usage of net proceeds up to 31 March 2025 HK\$' million	Unutilised net proceeds as at 31 March 2025 HK\$' million	Expected timeline for utilising the unutilised net proceeds
Support and expand our structural and geotechnical engineering team	11.8	11.8	–	Not applicable
Grow and develop our civil engineering team	7.9	7.9	–	Not applicable
Expand our office infrastructure and BIM upgrade	1.3	1.3	–	Not applicable
Support and expand our material engineering and building repairs area of service	0.1	0.1	–	Not applicable
General working capital	1.2	1.2	–	Not applicable
Acquisition of or investment in companies in construction and property development industry	4.6	4.6	–	Not applicable
	<u>26.9</u>	<u>26.9</u>	<u>–</u>	

The Company completed 3 times of placing of new shares on 31 January 2024 (the “**First Placing**”); 29 May 2024 (the “**Second Placing**”) and 30 May 2025 (the “**Third Placing**”) respectively. The net proceeds raised were approximately HK\$19.9 million, HK\$17.0 million and HK\$2.4 million respectively.

Regarding the First Placing, according to the use of proceed, approximately HK\$8.0 million was planned to be used as working capital and has been used up. The remaining approximately HK\$11.9 million was to be used for new business development in various potential profitable sectors, including but not limited to food and beverage related businesses, catering, entertainment, and medical beauty. The proceed was fully used up as at the date of this report.

# Management Discussion and Analysis

Regarding the Second Placing, according to the use of proceed, approximately HK\$3.0 million has been used as working capital. The remaining approximately HK\$14.0 million was used for development of food and beverage and IT business segments. The proceed was fully used up as at the date of this report.

Regarding the Third Placing, according to the use of proceed, approximately HK\$0.4 million was planned to be used as working capital, approximately HK\$0.3 million was to be used for business development of engineering consultant services and provision of equipment, and approximately HK\$11.7 million was to be used for the expansion and improvement of IT business segments. The proceed was not used up as at the date of this report and was kept in the Group's bank account.

## PRINCIPAL RISKS AND UNCERTAINTIES

The business operations and results of the Group may be affected by various factors, some of which are external causes and some are inherent to the business. The Board is aware that the Group is exposed to various risks and the principal risks and uncertainties facing the Group are summarized below:

- The Group relies heavily on professional staff, in particular, management team, in operating the business;
- The Group determines the tender price based on, among other things, the estimated time and costs involved in a project, which may deviate from the actual time and costs involved;
- Service fee may not be paid in full due to clients' projects not being completed as originally planned; and
- The Group is exposed to the credit risk of trade receivables and may experience increasing balance of such receivables and longer trade receivables' turnover days.

For other risks and uncertainties facing the Group, please refer to the section headed "Risk Factors" in the Prospectus. Material principal risks and uncertainties affecting the Group are substantially unchanged from those disclosed in the Prospectus. The Directors will monitor, assess and respond to the above risks in a timely manner.

# Biographical Details of Directors and Senior Management

## EXECUTIVE DIRECTORS

**Mr. TSANG Wing Ki (曾永祺先生) (“Mr. Tsang”)**, aged 63, has been an executive Director of the Company since 3 April 2024. Mr. Tsang obtained a Professional Diploma in Accountancy from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) in November 1987 and a Master of Professional Accounting from the Hong Kong Polytechnic University in November 2000.

Mr. Tsang has over 37 years of experience in the field of financial reporting, financial management and audit experience in Hong Kong. Mr. Tsang is currently an independent non-executive director of NOVA Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1360).

**Mr. MAN Kwok Hing (文國興先生) (“Mr. Man”)**, aged 49, has been an executive Director of the Company since 6 December 2021. Mr. Man is also a director of certain subsidiaries of the Company. Mr. Man has over 15 years of experience in the arboricultural and horticultural industry. Mr. Man was a director of Gaia Tree Management Consultancy Limited from 2005 to 2018 and a director of City Landscaping Co. Limited from 2006 to 2018. He joined C. K. Garden Company Limited in 2018 and has been appointed as its director since then.

Mr. Man was the vice-chairman of Hong Kong Greening Contractors Association from 2016 to 2018, and was its chairman from 2019 to 2020. He is currently a consultant to Hong Kong Greening Contractors Association. Mr. Man has been appointed as the chairperson of Arboriculture and Horticulture Industry Training Advisory Committee under the Qualifications Framework since October 2016. In June 2020, Mr. Man has been appointed as a non-official member of Arboriculture and Horticulture Industry Development Advisory Committee, which advise the Development Bureau on issues relating to the Registration Scheme for Tree Management Personnel, the Study Sponsorship Scheme and Trainee Programme under the Urban Forestry Support Fund, and the development and the manpower supply and demand of the arboriculture and horticulture industry.

Mr. Man obtained a bachelor degree of science in horticulture from the University of California in June 2008 and further obtained a doctorate of management from the Lincoln University in April 2016. Mr. Man was admitted as a professional member of the Arboricultural Association in October 2011 and a member of Chartered Institute of Horticulture in November 2015.

**Ms. LEUNG Suet Yiu (梁雪瑤女士) (“Ms. Leung”)**, aged 32, has been an executive Director of the Company since 6 December 2021. Ms. Leung worked as architectural assistant for various firms, including Simon Kwan & Associates Limited and AHL Project Management (Int’l) Co. Limited. In 2018, she began to pursue a career in the entertainment industry as side business. She joined Diamond Term Group from 2019 to 2020 with her last position as business director. She was Business Development Executive of Llewellyn & Partners Co. Ltd in 2021.

Ms. Leung obtained a bachelor degree of environments with a major in architecture from the University of Melbourne in August 2015 and obtained a master degree in 2023 under the faculty of architecture at the University of Hong Kong.

## Biographical Details of Directors and Senior Management

**Mr. LEUNG Chun Yu Edmund (梁震宇先生) (“Mr. Leung”)**, aged 58, has been an executive Director of the Company since 23 August 2024. Mr. Leung obtained a professional diploma in Chinese Catering Management in 2006 and graduated with the first place that the professional diploma course was organised by the Hong Kong Institute of Vocational Education, Rice Seedling Cultivation Program and Vocational Training Council together. Mr. Leung has been working as chairman and director of various private companies since 1998. Mr. Leung was a non-executive Director of Simplicity Holding Limited (Stock code: 8367) since 16 August 2023 and resigned on 10 October 2023.

Mr. Leung has over 30 years’ experience in marketing and management and holds office currently in several associations, including but not limited to, namely executive vice chairman of Catering and Food Industry Alliance of Guangdong-Hong Kong-Macao Greater Bay Area, Honorary Vice President of China Cuisine Association Hong Kong, Honorary Chairman of Shenzhen Catering Service Industry Association and honorable advisor of many associations in Hong Kong catering industry.

### NON-EXECUTIVE DIRECTORS

**Mr. YUEN Chi Ping (袁志平先生) (“Mr. Yuen”)**, aged 46, has been appointed as the Chairman and Non-executive Director of the Company with effect from 1 April 2025. Mr. Yuen is a qualified lawyer in both Hong Kong and England & Wales. Mr. Yuen has over 20 years of legal experience, specializing in corporate law, cross-border mergers & acquisitions (public and private), and capital market transactions across Greater China and Hong Kong.

Mr. Yuen graduated with a Bachelor of Laws (LLB) from the University of Hong Kong in 2001 and completed the PCLL programme in 2002. He began his career as a trainee and later practiced at several leading international law firms. From 2011 to 2014, he served as Special Counsel in the Shanghai office of Baker & McKenzie, where he was responsible for the firm’s securities practice in the region.

In addition to his legal acumen, Mr. Yuen has extensive experience in corporate management, having held board and senior management roles in a number of listed companies. He also supports charitable causes, serving as board member of Pok Oi Hospital since 2017, and has become the Vice Chairman of Pok Oi Hospital since 2025.

**Mr. Takeda Masahiro (竹田真博先生) (“Mr. Takeda”)**, aged 44, graduated from Waseda University, Tokyo, Japan in 2003 with a Bachelor of degree in Economics.

Mr. Takeda has a wide array of commercial and managerial experience. Mr. Takeda is currently the director of DXHR Co., Ltd., Agri Holdings Co., Ltd., Bamboo International Co., Ltd., General Incorporated Association Advanced Cancer Medicine Promotion Center GENE Clinic. He is also an executive officer and Chief Executive Officer of Tres Bio Institute Co., Ltd. and the Co-founder of QD Japan Co., Ltd.



# Biographical Details of Directors and Senior Management

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Ms. SIU Yuk Ming (邵玉明女士) (“Ms. Siu”)**, aged 31, has been an independent non-executive Director since 6 December 2021. Ms. Siu is the chairlady of the Audit Committee, a member of the Remuneration Committee and Nomination Committee, and is primarily responsible for supervising the Board and providing independent judgment of issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. Ms. Siu has over six years in the audit profession. She worked in Robert Chui & Co CPA from September 2015 to February 2016 with her last position as audit junior. She worked in PricewaterhouseCoopers from September 2016 to July 2021 with her last position as senior associate in the risk assurance practice. Ms. Siu joined OJ Consulting Limited in July 2021 and has been working on IT audit assignment since then.

Ms. Siu obtained a bachelor degree in business administration with a major in accountancy from The Hong Kong Polytechnic University in September 2015. She has been a Certified Information Systems Auditor of the Information Systems Audit and Control Association since March 2021, a Certified Public Accountant of The Hong Kong Institute of Certified Public Accountants since May 2021 and a member of Institute of Chartered Accountants in England and Wales since February 2022.

**Ms. LUNG Wing Yee (龍詠宜女士) (“Ms. Lung”)**, aged 34, has been an independent non-executive Director since 23 December 2024. Ms. Lung is the chairlady of the Nomination Committee, a member of the Remuneration Committee and Audit Committee, and is primarily responsible for supervising the Board and providing independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. Ms. Lung graduated from Federation University Australia in 2020 with a Bachelor of degree in applied management. Ms. Lung has a wide array of commercial and managerial experience. Ms. Lung is currently the Consultant of a global investment management firm. She is also an associate director of a securities firm. Ms. Lung has over 5 years of experience in corporate finance, investment and business development in Hong Kong.

**Mr. LEUNG Man Chun (“Mr. Leung”) (梁文俊先生)** aged 37, has been an independent non-executive Director since 31 March 2025. Mr. Leung is the chairman of the Remuneration Committee, and a member of the Audit Committee and Nomination Committee, and is primarily responsible for supervising the Board and providing independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. Mr. Leung obtained a Master’s degree in Analytics from Northeastern University in 2023 and a Bachelor’s Degree in Social Sciences from Hong Kong Baptist University in 2009.

Mr. Leung has over 16 years of experience in the accounting and finance industry. Mr. Leung was employed at KPMG as an auditor from 2009 to 2012 and HSBC Hong Kong as a commercial banker from 2012 to 2014. Mr. Leung ran his own business in the Fast Moving Consuming Goods industry from 2014 to 2020. Mr. Leung served as an independent non-executive director of several Companies which was listed on the GEM Board from 2016 to 2021. Since 2020, Mr. Leung has been serving as the Financial Controller at MTT Group Holdings Limited (stock code: 2350).

# Biographical Details of Directors and Senior Management

## SENIOR MANAGEMENT

**Mr. NG Chun Chung (吳振中) (“Mr. Ng”)**, aged 43, is the company secretary of the Company and has more than 19 years of experience in accounting and auditing. Mr. Ng served in several sizeable audit firm as Audit Associate to Audit Manager from 2005 to 2014. In September 2014, Mr. Ng served as the finance manager in Wai Chi Holdings Company Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1305). From 2017 to 2020, Mr. Ng served as the chief financial officer of two private limited companies. In June 2020, Mr. Ng was appointed as the executive director, chief financial officer and company secretary in Sun Cheong Creative Development Holdings Limited, a company delisted on the Main Board of the Stock Exchange. Since July 2021, Mr. Ng was appointed as a director and practising in an audit firm.

Mr. Ng obtained his bachelor degree in business administration from Lingnan University in Hong Kong in December 2005. Mr. Ng was admitted as a member of the Hong Kong Institute of Certified Public Accountants in January 2012 and a practising member in 2021.

**Mr. FONG Chi Wai (方智威先生) (“Mr. Fong”)**, aged 54, is a technical director of our Group and is mainly plays supervising role in various type of our Group’s projects, such as design, management and site administration of new buildings, alterations and additions, and renovation projects.

Mr. Fong has approximately 28 years of experience in the engineering industry. Mr. Fong served as senior civil engineer at W&C Hong Kong since March 2002 and was promoted to be an associate director in September 2010 and was further redesignated as a technical director in August 2018.

Mr. Fong graduated from The Hong Kong Polytechnic University and received a bachelor’s degree of engineering in civil engineering in November 1994 and further obtained a postgraduate diploma in civil engineering in November 2000. In July 2015, Mr. Fong obtained a juris doctor’s degree from the City University of Hong Kong.

Mr. Fong became a member of the Hong Kong Institution of Engineers in September 1998, an associate of the Hong Kong Institute of Arbitrators in December 1998, a member of The Chartered Institute of Arbitrators in September 1999, a Registered Professional Engineer (Civil) in Hong Kong in February 2004 and a member in the Panel of Adjudicators of The Hong Kong Institution of Engineers in November 2021.

**Mr. HEUNG Siu Kee (香兆祺先生) (“Mr. Heung”)**, aged 81, is a technical director of our Group and is mainly responsible for the administration, design and supervision of superstructure, foundation and excavation works and coordination and site supervision of construction projects.

Mr. Heung has approximately 52 years of experience in the engineering industry. Prior to joining our Group, from April 1969 to May 1970, Mr. Heung served as a draftsman in the engineering division at HLK Services, Ltd. Mr. Heung later worked as a senior structural engineer at Gordon Wu & Associates from June 1970 to March 1981. From February 1981 to June 1991, Mr. Heung served as an engineer at KNW Architects & Engineers Limited and subsequently joined W&C Hong Kong as senior structural engineer in July 1991. He was promoted to be an associate director of our Group in May 2010 and was further redesignated as a technical director in August 2018.

Mr. Heung graduated from the National Taiwan University and received a bachelor’s degree in civil engineering in June 1967.

## Biographical Details of Directors and Senior Management

**Mr. HUANG Wan Fu (黃文富先生) (“Mr. Huang”)**, aged 72, is a technical director of our Group and is mainly responsible for the geotechnical engineering design works such as ground investigation, site formation planning, natural terrain hazard assessment, deep excavation and lateral support (“**ELS**”) design for basement and pile cap construction and supervision of slope stabilisation, ELS and wall strengthening works.

Mr. Huang has more than 18 years of experience in the engineering industry. Mr. Huang served as senior engineer at W&C Hong Kong since December 2005 and was promoted to be an associate director in August 2013 and was further redesignated as a technical director in August 2018.

Mr. Huang graduated from the National Taiwan University and received a bachelor's degree of science in engineering in June 1974. Mr. Huang obtained a master's degree in engineering from the Asian Institute of Technology in Thailand in April 1980.

**Mr. LEE Sik Kwan (李錫均先生) (“Mr. Lee”)**, aged 60, is a technical director of our Group and is mainly responsible for the structural and geotechnical engineering design, and supervision and administration works for building and civil projects.

Mr. Lee has more than 31 years of experience in the engineering industry. Mr. Lee served as an assistant structural engineer at W&C Hong Kong since August 1991 and was promoted to be an associate director in September 2010 and was further redesignated as a technical director in August 2018.

Mr. Lee graduated from the University of Hong Kong and received a bachelor's degree of science in engineering in December 1989. Mr. Lee became a member of The Institution of Structural Engineers in November 1994 and a member of The Hong Kong Institution of Engineers in September 1996. Mr. Lee became a Registered Professional Engineer (Structural) in Hong Kong in December 1999, and a Registered Structural Engineer in Hong Kong since February 2017.

**Mr. NGAI Wai Bun (魏偉彬先生) (“Mr. Ngai”)**, aged 55, is a technical director of our Group and is mainly responsible for the geotechnical engineering design and related works such as geotechnical assessment and natural terrain hazard study, and site supervision.

Mr. Ngai has approximately 28 years of experience in the engineering industry. Mr. Ngai worked as an engineer at Meinhardt (C&S) Limited from September 1999 to June 2004. Mr. Ngai joined our Group as senior engineer at W&C Hong Kong since September 2008 and was subsequently promoted to be an associate director in May 2013 and was further redesignated as a technical director in August 2018.

Mr. Ngai graduated from The Hong Kong Polytechnic University and received a bachelor's degree of engineering in civil engineering in November 1993. Mr. Ngai later obtained a master's degree of science in civil engineering from The Hong Kong Polytechnic University in November 1998.

Mr. Ngai became a corporate member of The Institution of Structural Engineers since November 2000, a corporate member of The Hong Kong Institution of Engineers in January 2001, and a member of The Institution of Mining and Metallurgy of the United Kingdom in May 2001.

## Biographical Details of Directors and Senior Management

Mr. Ngai became a Chartered Engineer of the Engineering Council of the United Kingdom since March 2001, a Chartered Structural Engineer of The Institution of Structural Engineers of the United Kingdom in November 2000, a Registered Professional Engineer (Structural, Geotechnical) in Hong Kong in February 2004, and a Registered Geotechnical Engineer in Hong Kong since March 2013. Mr. Ngai is a new fellow member of The Hong Kong Institution of Engineers in 2021.

**Dr. CHU Yu Tin, Albert (朱雨田博士) (“Dr. Chu”)**, aged 69, is a technical director of our Group and is mainly responsible for the design management of building development projects.

Dr. Chu has over 40 years of experience in the engineering industry. Prior to joining our Group, Dr. Chu worked as senior structural engineer at the Buildings Department of Hong Kong from September 1992 to May 2016. He then joined W&C Hong Kong as a technical director in September 2016.

Dr. Chu graduated from University of Windsor in Canada and received a bachelor's degree of applied science in civil engineering in October 1980. He later obtained a master's degree of science in civil engineering from The Hong Kong Polytechnic University in November 1994. Dr. Chu obtained a doctor of philosophy degree in civil engineering from The University of Queensland of Australia in July 2004. Dr. Chu became a member of The Institution of Structural Engineers of the United Kingdom in November 1987, a member of The Hong Kong Institution of Engineers in January 1991 and a member of The Institution of Civil Engineers of the United Kingdom in July 1996. Dr. Chu became a Registered Professional Engineer (Civil, Structural) in Hong Kong in December 1997. He is currently an Authorized Person (list of engineers) and a Registered Structural Engineer with the Building Authority. Dr. Chu is a new fellow member of The Hong Kong Institution of Engineers in 2021.

**Dr. CHEN Hui (陳暉博士) (“Dr. Chen”)**, aged 67, is a technical director of our Group and is mainly responsible for business development, design and management of geotechnical projects and related works.

Dr. Chen has approximately 24 years of experience in the engineering industry. Dr. Chen worked as a geotechnical engineer at Central Coal Mining Research Institute (煤炭科學研究總院) in the PRC from 1984 to August 1988 and a full-time research fellow at the department of civil and structural engineering of the Nottingham Trent University of the United Kingdom from January 1993 to December 1994. He worked as a geotechnical engineer at Greg Wong & Associates Ltd. and Maunsell Geotechnical Services Ltd. from December 1994 to January 1997 and September 1997 to April 1998, respectively. He worked as a resident engineer (geo) at Montgomery Watson Hong Kong Ltd. from May 1998 to August 1999. He then worked at W&C Hong Kong as an associate from September 1999 to September 2008. From September 2008 to April 2010, Dr. Chen worked as the associate director of Scott Wilson Ltd. From May 2013 to October 2017, he worked as an associate director (and then resident geotechnical engineer) of WSP Hong Kong Limited. Dr. Chen joined our Group as a geotechnical director in July 2018 and was further redesignated as a technical director in August 2018.

Dr. Chen graduated from the Shandong Institute of Mining and Technology (山東礦業學院 currently known as the Shandong University of Science and Technology (山東科技大學)) in the PRC and received a bachelor's degree in coal mining engineering in October 1982. He later obtained a master's degree in engineering from Central Coal Research Institute of the Coal Industry Ministry\* (煤炭工業部煤炭科學研究總院) in the PRC in December 1984. He studied full time in the Department of Mining Engineering at the University of Nottingham from October 1988 to June 1992 and obtained a doctor of philosophy degree from the University of Nottingham in July 1992.

## Biographical Details of Directors and Senior Management

Dr. Chen became a professional member of The Institute of Materials, Minerals and Mining of the United Kingdom in May 1996, a Chartered Engineer of the Engineering Council of the United Kingdom in January 1997, a member of The Hong Kong Institution of Engineers in December 1997 and a Registered Professional Engineer (Geotechnical) in Hong Kong in December 1998.

### COMPANY SECRETARY

**Mr. Ng Chun Chung (“Mr. Ng”)**, aged 43, graduated from Lingnan University with a degree of Bachelor of Business Administration in Accounting. He is a practising certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales.

Mr. Ng has over 18 years of working experience in auditing, accounting, investment and corporate finance.

*The English translation of the Chinese name in this report, where indicated with “\*”, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese names.*

# Environmental, Social and Governance Report

## 1. Introduction, Environment, Social and Governance Policy

The Group is a construction engineering consultant focusing on the area of comprehensive structural and geotechnical engineering design which is mainly provided in Hong Kong and Macau. The Group's consultancy services mainly cover: (i) structural engineering; (ii) geotechnical engineering; (iii) certain civil engineering practice areas; and (iv) material engineering. As one of the leading construction engineering consultancy service providers, we recognise the value that sustainability brings to our business and therefore are committed to integrating sustainability into our business strategy.

## 2. Reporting Scope

We primarily adopts the principles and basis of the "Environmental, Social and Governance Reporting Guide" ("**ESG Guide**") as set out in Appendix C2 to the GEM Listing Rules, with an aim to establish a sound environmental, social and governance structure.

This report covers the Group's overall performance in two subject areas, namely, environmental and social aspect of the business operations in Hong Kong office for the period from 1 April 2024 to 31 March 2025 (the "**Year**" or "**2025**"), unless otherwise stated.

Unless otherwise specified, the reporting boundary of this report covers the principal businesses of the Group. The management regularly review the scope of the ESG Report to ensure that significant impacts to the Group's overall business portfolio are covered.

The basis of reporting principles:

- Materiality:

The Group determines material ESG issues by stakeholder engagement and materiality assessment.

- Quantitative:

Information is presented with quantitative measure, whenever feasible, including information on the standards, methodologies, assumptions used and provision of comparative data.

- Consistency:

The Report will use consistent methodologies for meaningful comparisons in the past years unless improvements in methodology are identified.

# Environmental, Social and Governance Report

We established a top-down ESG organizational structure to apply the Group's sustainable development concept. The Board is responsible for developing ESG strategies, assessing and identifying the Group's ESG risks, and guaranteeing risk management and internal control effectiveness. The Board has endorsed and approved this report. The Board is dedicated to monitoring and publishing the Group's sustainability performance through the annual release of the ESG Report and is responsible for overseeing and managing all ESG topics.

The Board of Directors (the “**Board**”) strives to create long-term value for stakeholders by identifying possibilities while adhering to regulatory standards and industry best practices. The Board has taken the following responsibilities to fulfil this goal:

- Identifying and assessing ESG-related risks;
- Establishing effective management approaches to ESG-related risks;
- Overseeing and delegating authority to the management of various departments, where ESG policies and measures are formulated and executed;
- Examining and adjusting the implementation of various ESG objectives on a regular basis to ensure that the impact of business development on the environment and society can be minimized; and
- Approving the disclosed information in the Group's ESG Report.

### 3. ESG Working Group

The Group has established an ESG Working Group, consisting of three members, (currently as an Executive Director, and the management from Human Resources and Finance Departments), to assist the Board in managing the Group's ESG affairs. The ESG Working Group is a management-level group that is responsible for driving our ESG initiatives, collecting and calculating ESG KPIs, overseeing and reporting ESG related matters across our major businesses and operations.

The ESG Working Group organizes meetings on a regular basis to identify, assess, and monitor the Group's ESG risk, as well as to examine the Group's internal control system's implementation and effectiveness. It also assesses and evaluates the Group's ESG performance in relation to ESG goals and targets.

### 4. Stakeholder Engagement and Materiality Assessment

The Group acknowledges the stakeholders' engagement is an important step to obtain different views of sustainability development and to form a basis for us to provide feedback. Accordingly, on top of our regular engagements, we have formulated plans to strengthen our stakeholders' engagement process, including the intended use of an ESG survey program, from which the information and feedback to be collected and exchanged, will further enable us to take appropriate actions and enhance our ESG initiatives and reporting.



# Environmental, Social and Governance Report

Our ESG working group has conducted a materiality assessment, among all ESG issues, we further evaluate and prioritize them by their relevancy and significance. Below tabled the significant ESG issues of the Group:

Significant ESG issue	Related ESG Aspects
1. Employee's benefits	Employment
2. Employee competency	Development and training

Taking into consideration the business mode and stakeholders' interest, the Group has low environmental risks in respect of energy use and emissions and a lower climate change risks that might impact the sustainability of the Group.

## 5. Information and Feedback

The Group welcomes stakeholders' feedback on its ESG approach and performance. Please give your suggestions or share your views by email at [general@niuholdings.com.hk](mailto:general@niuholdings.com.hk).

The table underneath shows aspects on the ESG Guide to be assessed and those ESG issues were determined to be material to the Group.

ESG Aspects as set forth in ESG Guide	Material ESG issues to the Group
(A) Environmental	
A1 Emissions	Energy consumption
A2 Use of Resources	Use of energy and paper
A3 Environment and Natural Resources	
A4 Climate change	
(B) Social	
B1 Employment and Labour Practices	Labour practices
B2 Health and Safety	Workplace health and safety
B3 Development and Training	Employee development and training
B4 Labour Standards	Anti-child and forced labour
B5 Supply Chain Management	Supply chain management
B6 Product Responsibility	Product responsibility
B7 Anti-corruption	Anti-corruption, fraud prevention and anti-money laundering
B8 Community Involvement	Community programs, employee volunteering and donation

# Environmental, Social and Governance Report

## A. Environmental

The Group's business nature as an office-based construction engineering consultancy service provider and our main environmental impacts arising from our business practice includes GHG emissions, energy consumption and paper consumption.

During the Year, the Group was not aware of any material non-compliance with environmental related laws and regulations, including but not limited to the Hong Kong Air Pollution Control Ordinance, the Hong Kong Noise Control Ordinance, and the Environmental Protection Law of the People's Republic of China that would have a significant impact on the Group.

### Exhaust Gas emissions

Due to the business nature, the Group does not generate a significant amount of exhaust gas emissions during its operations.

### Greenhouse Gas (GHG) emissions and targets

The major sources of the Group's GHG emissions were generated from purchased electricity (Scope 2) and paper consumption (Scope 3). During the Year, the Group has target to reduce its total GHG emissions by the year ended 31 March 2028 ("**2028**"). To achieve this target, the Group has adopted the following measures to reduce GHG emissions during operation:

- Actively adopt energy conservation measures, which are described in the sections headed "Energy Management" under aspect A2; and
- Actively adopt paper saving measures in office, which are described in the section headed "Waste Management" under this aspect

#### ***A1.1. Emissions Data from Gaseous Fuel Consumption***

- a) Since the Group did not have town fuel and town gas consumption during the Reporting Period, therefore no relevant emissions data is available.

# Environmental, Social and Governance Report

- b) During the Year, the Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Particulate Matter (PM) emitted from the consumption of the Group's motor vehicles are shown as below:

Key performance indicator ("KPI")			
	2025	Unit	%
NOx	632.4	Grams	91.1%
SOx	15.5	Grams	2.2%
PM	46.6	Grams	6.7%
<b>Total</b>	<b>694.5</b>	<b>Grams</b>	<b>100%</b>

## A1.2. Greenhouse Gas Emission

KPI	2025	Unit	%
Scope 1 Direct Emission	2.9	Tonnes	1.4%
Scope 2 Indirect Emission	192.4	Tonnes	92.4%
Scope 3 Other indirect Emission	13.0	Tonnes	6.2%
<b>Total</b>	<b>208.2</b>	<b>Tonnes</b>	<b>100%</b>

During the Year, there were 208.2 tonnes (2024: 121.52 tonnes) of greenhouse gases (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's operation. The annual emission intensity was 1.15 tonnes CO<sub>2</sub>e/employee (2024: 0.74 tonnes CO<sub>2</sub>e/employee).

The Group has set the amount of GHG emission for the Reporting Period to 300 tonnes. The target will be reviewed in 2028. The Group has achieved this target during the Year.

## A1.3 & A1.4 Hazardous and Non-hazardous Waste

### Wastewater management

The Group does not consume significant volume of water in its daily operation, therefore its business activities did not generate material portion of discharge into water. The majority of the water supply and discharge facilities are provided and managed by property management company. The wastewater discharged by the offices of the Group was discharged into the public sewerage system, hence the amount of water consumed by the Group is considered as the amount of sewage discharged. Corresponding watersaving initiatives will be described in the section "Water Management" under aspect A2.

# Environmental, Social and Governance Report

## *Waste management*

The Group adheres to the waste management principle and strives to properly manage and dispose wastes produced by its business activities. The Group's waste management practices have complied with relevant laws and regulations relating to environmental protection.

### **A1.5 Hazardous wastes**

For hazardous wastes, the Group produce toner cartridges which are collected and handled safely by toner suppliers.

### **A1.6 Non-hazardous wastes**

With the aim of minimising the environmental impacts from non-hazardous wastes generated from its business operation. To facilitate the waste reduction commitment, the Group adopts the principle of "Reduce, Reuse and Recycle" (3Rs) for waste management and strives for resource utilisation. The Group has also implemented a series of waste management and wastes reduction initiatives. With these strategies in place, the Group hopes to encourage employees to lead a more sustainable lifestyle. Responsibilities are shared among staff for waste management in the office to implement the following initiatives:

- Prevent overstock of stationery by using a Stationery Requisition Form to order stationery;
- Distribute office memos to remind staff to only print necessary materials to avoid wastage;
- Use recycled paper for printing and copying;
- Utilise electronic communication where applicable;
- Sort recycled waste into appropriate receptacles, educating employees on sorting methods if needed; and
- Place appropriate signage on walls and bins, specifying the type of waste or recyclable to be put in bins.

During the Year, the Group's total non-hazardous wastes disposal is 2.70 tonnes (2024: 3.10 tonnes). The annual non-hazardous wastes disposal intensity during the Year is 0.01 tonnes per employee (2024: 0.02 tonnes per employee).

# Environmental, Social and Governance Report

## A2.1 Use of resource

The Group continues with initiatives to promote resource efficiency and eco-friendly measures to the Group's operations. The Group is committed to optimising the use of resources in its business operations. During the daily operations, the Group mainly consumes resources such as electricity and water. Therefore, relevant policies and procedures governing the efficient use of resources have been set up to meet its objective of achieving higher energy efficiency and reducing the unnecessary use of materials.

### Energy management

The Group deploys multiple energy saving initiatives to improve the operating efficiency of equipment or devices and reduce energy consumption. In terms of lighting system, the Group has separated light switches for different light zones, keeps the lighting fixture clean. To reduce the use of air conditioning, employees are required to set the air-conditioners at 25.5°C as indoor temperature and allowed to smart causal. The Group also encourages employees to turn off unused electrical devices, including airconditioners and lighting system, before leaving the office.

During the Year, the energy consumption by type in total of the Group are showed as below:

	KPI		Unit	% increase/ (decrease)
	2025	2024		
Electricity consumed	238,379	251,407	kWh	(5%)
Total full-time staff	181	164	Employee	10%
<b>Electricity consumed per employee</b>	<b>1,317</b>	<b>1,533</b>	<b>kWh/ employee</b>	<b>(14%)</b>

The Group has previously set targets to 300,000 kWh of the total energy consumption (i.e. electricity and oil consumed). The target will be reviewed in 2028. The Group has achieved the target during the Reporting Period.

### Water management

The Group's water consumption was mainly domestic water consumed in offices. By posting environmental signage with water saving messages in prominent places, the Group endeavours to promote behavioural changes in water consumption, and to remind employees to conserve water.

### Use of Packaging Materials

Due to the Group's business nature, the Group does not consume significant amount of package materials for product packaging as it does not involve in any industrial production nor operate any factory facilities.

# Environmental, Social and Governance Report

## A3 Environmental and Natural Resources

Although the core business of the Group has remote impact on the environment and natural resources, the Group recognises the responsibility in minimising the negative environmental impacts of its business operations as an ongoing commitment to good corporate social responsibility. The Group has put a great effort into mitigating the environmental impact of its activities through adopting industrial best practices targeted at reducing natural resources consumption and effective emission management. The Group regularly assesses the environmental risks of its business, and adopt preventive measures as necessary to reduce the risks and ensure the compliance of relevant laws and regulations.

### *Green Working Environment*

The Group has chosen to purchase second-hand office furniture where necessary to promote an ecofriendly working environment. The Group believes that purchasing second-hand office furniture does not only contribute in reducing wastes, but also increase employees' environmental awareness.

The Group also monitors the indoor air quality at workplace on a regular basis. By installing air purifying equipment in the workplace and regularly cleaning air conditioning systems, the Group maintains a good indoor air quality, which leads to a pleasant working environment for its staff.

### *Noise Control*

The Group has taken the required steps to reduce noise in accordance with the Noise Control Ordinance since some construction methods emit noise that might have an impact on the surrounding inhabitants. The Group has set up noise barriers or noise enclosures at the beginning of the construction period to reduce the noise level and conduct construction during the prescribed times. The Group also makes sure that before use, equipment is inspected and maintained to verify that the authorized noise level is met.

## A4 Climate change

The Group recognises the importance of identification of significant climate-related issues and mitigation of the related risks; therefore, the Group is committed to managing the potential climate-related risks which may impact the Group's business activities. The Group takes reference to the recommendations and approach set out by The Task Force of Climate-related Financial Disclosure ("**TCFD**") in assessing the climate changes impacts on the Group. We have assessed a series of risks, including:

**Transition risks** that may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change in the course of Transitioning to a lower-carbon economy. There are four sub-risks, namely Policy and Legal Risks, Technology Risk, Market Risk and Reputation Risk.

**Physical risks** that may have financial implications for the Group, such as direct damage to assets and indirect impacts from supply chain disruption, which can be driven by acute events ("**Acute Events**") or longer-term chronic shifts ("**Chronic Shift**") in climate patterns.

# Environmental, Social and Governance Report

## ***Physical Risks***

The increase in frequency and severity of extreme weather such as typhoons, storms and heavy rains can disrupt the Group's operations by damaging the power grid and communication infrastructures, hindering its employees from work, especially outdoor inspection work. The extreme weather may also disrupt the supply chain and hinder the construction projects due to the delayed transportation or disturbance of the construction material manufacturing. These could result in temporary, permanent or partial halt of the Group's business operations, which exposes the Group to risks associated with non-performance and delayed performance.

To better manage the above-mentioned physical risks, the Group has formulated a contingency plan and relevant policies, which sets out appropriate solutions for employees to follow, therefore to reduce the negative impacts brought by extreme weather events to the Group. When extreme weather event occurred or possibly happened, the senior management will timely communicate with employees about the work arrangement to ensure staff safety and operation continuity according to the plan. The Group will also review the response plan from time to time to ensure its employee know how to response if any of the essential work is hindered under the extreme weather events.

## ***Transition Risks***

### *Policy and Legal Risk*

There are more stringent climate legislations and regulations to support global vision for decarbonisation. For example, the Stock Exchange has required the listed companies to enhance the climate-related disclosures in their ESG reports. Stricter environmental laws and regulations may expose enterprises to higher risks of claims and lawsuits. Corporate reputation may also decline due to failure to meet the compliance requirements for climate change. The Group's related capital investment and compliance costs thus increase.

In response to policy and legal risks as well as reputation risks, the Group regularly monitors existing and emerging trends, policies and regulations relevant to climate change and ensure the senior management is aware of the changes in policies or legislation so as to avoid unnecessary costs or non-compliance fines incurred and to reduce reputation risks resulting from delayed responses.



# Environmental, Social and Governance Report

## B. Social

The Group believes that human resources are one of its key competitive advantages, and the foundation of the Group's continued success. Hence, the Group has established relevant policies to fulfil its vision on people-oriented management and realise the full potential of employees. The human resources managing procedures are formally documented as the Employee's Handbook, covering employment, expectations of employees' conduct, employees' rights and benefits, etc. During 2024, the Group was not aware of any material non-compliance with employment-related laws and regulations, including but not limited to the Hong Kong Employment Ordinance, the Hong Kong Disability Discrimination Ordinance, and the Labour Law of the People's Republic of China that would have a significant impact on the Group.

### **B1. Employment and Labour Practices**

#### *Recruitment, Promotion and Dismissal*

We recruit employees from the open market, mainly from the publication of job advertisements and referrals. The Group's hiring process considers criteria including the applicants' academic background, experience, skills, integrity and expertise needed for our business operations. Regardless of gender, age, ethnicity, religion, disability, or sexual orientation, applicants who match the requirements for a position are given equal interview opportunities. Applicants with relatives working in the Group must clarify personal relationships and ensure that their relatives' work in the Group is unaffected.

#### *Remuneration and Benefits*

The Group has established a fair, reasonable and competitive remuneration system. Employees of the Group are remunerated at a competitive level, and remuneration packages are reviewed annually by the Group by taking into account employee's qualifications, relevant experience, position and seniority.

Remuneration packages include holidays, annual leave, paid sick leave, maternity leave, marriage leave, compassionate leave, group hospitalisation and surgical insurance scheme, accident death and dismemberment insurance, mandatory provident fund, overtime payment and discretionary bonus.

The Group strictly adhered to the labour laws and regulations where it operates, including the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) by participating in the Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**"), Employment Ordinance (Cap. 57 of the Laws of Hong Kong) (the "**EO**"), the Employees' Compensation Ordinance (Cap. 282 of the laws of Hong Kong) and other laws and regulations by offering competitive wages, medical insurance, disability and invalidity coverage, maternity leave and other compensation to the employees.

# Environmental, Social and Governance Report

## Staff Composition

As at 31 March 2025, the Group employed a total of 181 (2024: 164) staff, including operational office, sales and marketing, and back office division. All staff members are allocated in Hong Kong and the PRC.

### a) Employee's Employment Type Distribution

Employment type	2025		2024	
	Male	Female	Male	Female
Part-time staff	0%	0%	0%	0%
Full-time staff	75%	25%	73%	27%
<b>Total</b>	<b>75%</b>	<b>25%</b>	<b>73%</b>	<b>27%</b>

### b) Employee's Age and Gender Distribution

Age Group	2025		2024	
	Male	Female	Male	Female
0-15	0%	0%	0%	0%
16-18	0%	0%	0%	0%
19-30	25%	7%	31%	12%
31-45	17%	8%	16%	5%
46-60	15%	5%	21%	8%
= 61/>61	18%	5%	5%	2%
<b>Total</b>	<b>75%</b>	<b>25%</b>	<b>73%</b>	<b>27%</b>

### c) Employee's Geographical and Gender Distribution

Geographical	2025		2024	
	Male	Female	Male	Female
Hong Kong	61%	19%	54%	20%
The PRC	14%	6%	19%	7%
<b>Total</b>	<b>75%</b>	<b>25%</b>	<b>73%</b>	<b>27%</b>

# Environmental, Social and Governance Report

Apart from maintaining a diversified workforce, the Group also recognises the importance of maintaining diversity within the Board so as to enhance the quality of its performance, while achieving sustainable and balanced development. Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service and any other factors that the Board may consider relevant and applicable from time to time. The Board comprised of both male and female directors with various educational background and professional experience.

## **B2 Employees' Health and Safety**

The Group believes that employees are an invaluable asset in achieving its business continuity. The Group is committed to providing and maintaining a safe, healthy and hazard-free environment for all employees and contractors who visit or work on its premises and preventing work-related accidents, injuries and illnesses.

- Providing anti-heat stress uniform and protective equipment (including safety helmets and safety shoes) to all workers;
- Regular maintenance of all electrical appliances and machines;
- Arranging the provision of cool potable water supply and sheltered resting area near the work locations; and
- Non-operating personnel are prohibited from entering the work area and operating machinery and electronic equipment.

The Human Resources and Administration Department takes the responsibilities for employees' occupational health and safety issues as well as relevant promotions and monitoring. The Group has distributed "Guidelines on Site Safety Measures for Working in Hot Weather", issued by the Construction Industry Council, to remind our site engineers to be aware of working in hot weather. The Group will continue to invest resources and devote efforts to maintain and enhance safety management so as to reduce the risks involved in health and safety.

# Environmental, Social and Governance Report

## *Safety Training and Inspections*

To ensure employees are aware of the potential dangers in the workplace, employees are required to attend training organised by the Group in regard to occupational safety and environmental control. Emergency and evacuation procedures were established to respond to any major safety accidents in timely and orderly manner. Employees are also encouraged to provide feedback on improving workplace safety and report any potential hazards that may lead to injuries. The Group has always reminded its employees that strict compliance with safety regulations and requirements imposed by relevant government authorities is vital to ensure zero accidents, specifically when they are working on-site for the inspection of construction sites. Therefore, the Group has put great emphasis to ensure all employees working onsite are holders of a valid Construction Industry Safety Training Certificate (also known as the green card).

During the Year, the Group was not aware of any material non-compliance with health and safety-related laws and regulations, including but not limited to the Hong Kong Occupational Safety and Health Ordinance, and the Labour Law of the People's Republic of China that would have a significant impact on the Group. The Group recorded zero work-related injury or related work-lost days during the Year. The work-related injury happened in the construction site. The Group has reported to labour department and claimed labour insurance immediately.

## *Occupational Health and Safety Data*

The information of work accident are set out below:

Health and Safety	2025		2024		2023	
	Male	Female	Male	Female	Male	Female
Rate of work-related fatalities	–	–	–	–	–	–
Lost hours due to work injury	–	–	–	–	–	–

## **B3 Development and Training**

We provides on-the-job trainings for new hires to familiarize these new hires on daily operations. Generally, the training areas are related to their work scope and duties of their respective department. Furthermore, our front-line employee who are licensed and supervised by Securities and Futures Commission are required to obtain continuous professional trainings (“CPT”) on an on-going basis. Our compliance department is responsible for monitoring the CPT hours of licensed employee to maintain the highest quality and standard of services to be provided to our clients. In addition, our employees’ training needs are identified through yearly employee performance appraisal, industrial changes or any major changes introduced to the IT system, software or changes in our service offering.

All our directors, including the independent non-executive Directors, have attended trainings to reinforce their knowledge and skills as a Director, and knowledge on the latest development regarding the Listing Rules, other applicable statutory and regulatory regime and the business environment to facilitate them to discharge their responsibilities.

# Environmental, Social and Governance Report

During the Year, 162 hours of regular training courses were provided to the employees included but not limited to orientation training, technical training and quality training.

Position	2025		Total
	Total Training Hours (Male)	Total Training Hours (Female)	
Senior management	12	2	14
Middle management	20	20	40
Junior level	88	20	108
<b>Total</b>	<b>120</b>	<b>42</b>	<b>162</b>

## ***Anti-Corruption Training***

The Company has rolled out a rotation plan of anti-corruption trainings in the Reporting Period. As of the date of this ESG Report, we intend to provide anti-corruption trainings, through professional organisation, to our Directors and Management and front-line sales department personnel first. We will also extend such training to our staff on a 4-years rotation plan targeting to attain a 100% training coverage in 4-years.

## **B4 Labour Standard**

### ***Prevention of Child Labour and Forced Labour***

Child and forced labour are strictly prohibited during the recruitment process as defined by laws and regulations. The Group strictly complies with local laws and has established relevant policies to prohibit any child and forced labour employment. The Group's Human Resources and Administrative Department is responsible to monitor and ensure compliance with the latest and relevant laws and regulations that prohibit child labour and forced labour.

During the recruitment process, the Group collects personal data from suitable candidates to verify candidates' identity and to avoid illegal employment of child labour, underage workers, and forced labour. The Human Resources and Administrative Department also ensures identity documents are carefully checked. If violation is involved, it will be dealt with in the light of circumstances.

During the Year, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, including but not limited to the Hong Kong Employment Ordinance and the Labour Law of the People's Republic of China that would have a significant impact on the Group.

# Environmental, Social and Governance Report

## B5 Supply Chain Management

The Group endeavours to create a sustainable supply chain, and therefore highly values its relationship with subconsultants, and regards them as important business partners. All subconsultants are evaluated carefully and are subjected to regular monitor and assessment. To ensure the Group's subconsultants can fit into the Group's vision of sustainable supply chain, the Group has formulated the Sustainable Supply Chain Policy to consider their environmental and social practices during the procurement and tendering procedures, and strive to engage them with responsible acts to society.

### ***Subconsultant Management***

To ensure subconsultants have met clients' and the Group's requirements in regard to quality as well as environmental and safety standards, the Group has formulated stringent procedures and standards for the selection. The Group has considered to a number of factors including job references, performance in previous engagements, sub-consultancy services assessment on subconsultants' corporate background, industry performance, tender price, service quality, number of year of business relationship, as well as their environmental and social performances. The Group has maintained a list of approved subconsultants with certain service quality. Subconsultants maybe suspended or removed from the approved list if they fail to fulfil the Group's standards. The Group also checks on if there is any legal cases related to subconsultants. The termination of a subconsultant relationship may also be incurred by any substantial violation of environmental and labour laws and regulations.

### ***Fair and Open Tendering***

The Group has also formulated rules and procedures to ensure that subconsultants could participate in tendering in an open and fair manner. The Group stresses heavily the integrity of its subconsultants and only select them with good business track records. The Group does not differentiate or discriminate against any subconsultants; and the Group does not tolerate any forms of corruption or bribery. The Group strictly monitors and prevents all kinds of business bribery; and employees or other individuals having any interest with the subconsultants will not be allowed to participate in related business activity.

During the Year, the Group had a total of 46 (2024: 45) subconsultants. The number of suppliers and subcontractors by geographical region of the Groups is as follows:

By location	No. of suppliers
Hong Kong	44
Macau	2
<b>Total</b>	<b>46</b>

# Environmental, Social and Governance Report

## *Environmental and Social Risk Management*

To select subconsultants with high quality, good reputation and social responsibility, the Group review the environmental and social performance of subconsultants regularly. The Group collects the annual report and business certificate of subconsultants and performs background search for the subconsultants. Besides, the Group undertakes onsite inspections regularly to monitor the subconsultants' business procedures to reduce its social and environmental risks along the supply chain. Any non-compliance with the relevant environmental and social rules and regulations discovered during the onsite inspection will be promptly reported to the Group's management. Corrective action plan will be carried out by the management to remediate the identified risk in a timely manner. The Group maintains a long-term strategic relationship with its subconsultants based on the results from the assessment.

To promote environmentally preferable products and services when selecting subconsultants, the Group communicates with them frequently about the availability in providing environmentally preferable products or services, and products or services that meet certain green standard and specification. The Group provides initiative of offering environmentally friendly products and services by giving them higher priority during bidding. The selection of subconsultants is determined by their overall performance, regarding to the criteria mentioned, assessment, evaluation, and their green practices.

## **B6 Product Responsibility**

As the Group's business hinges on achieving and maintaining the high-quality standard for projects, the product and service quality is of utmost importance for the sustainable growth of the Group. The Group believes completing works that meet or exceed its customer's requirements is crucial for job references and future business opportunities. The Group regularly controls and monitors the process of each project to ensure that it delivers high-quality services and sustainable projects to its customers.

During the Year, the Group was not aware of any material non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services provided, including but not limited to the Hong Kong Copyright Ordinance, the Hong Kong Personal Data (Privacy) Ordinance, and the Patent Law of the People's Republic of China that would have a significant impact on the Group.

# Environmental, Social and Governance Report

## ***Quality Management***

As a construction engineering consultant focusing on providing consultancy service, related disclosures on the number of products sold or shipped subject to recalls for safety and health reasons was not applicable due to the Group's business nature. Nevertheless, the Group emphasises on the quality assurance of its services and places great emphasis on maintaining its high service quality, striving to satisfy its customers through meeting or exceeding their expectations. The Group has therefore established a Quality Management System in accordance with the requirements of ISO 9001 to develop a sustainable performance-oriented culture in order to pursue continuous improvement on quality rather than adopting a short-term and project-based approach.

To ensure our services comply with required standards, quality plans setting out requirements for quality control, inspection and testing, process implementation and verification will be prepared for each project, and each quality plan will be updated when necessary. The Group typically employs one full-time foreman to oversee the quality of the foundation works completed by its employees and, as necessary, its subcontractors at each of the construction sites in order to ensure that the Group's works reach the needed standard. The project managers for the Group will periodically visit the sites of construction to check on the calibre of the work being done, the status of the projects, and to make sure that everything is proceeding as planned.

## ***Customer Service***

The Group has upheld its principle to provide effective customer management, and has therefore formulated a set of procedures in accordance with ISO 9001 in handling customers' feedbacks or complaints in a professional manner. Our senior management are responsible to implement communication arrangements for customers in relation to service information, enquiries, and customer feedback and complaints. When we receive any complaints from our customers, our staff will record and refer the case to our senior management for further investigation and assessment. Our senior management will respond the customer by taking corrective actions, and follow-up the case if needed. The Group will annually review feedbacks or complaints to have better understand on improving customer experience.

During the Year, the Group had not received any material product and service-related complaints.

## ***Intellectual Property ("IP") Rights***

The Group upholds intellectual property rights, including but not limited to copyrights, patents, and trademarks. The Group has documented all of its registered intellectual property. In the event that any of the Group's intellectual property rights are violated, it will seek legal counsel and take the necessary measures.



# Environmental, Social and Governance Report

To protect third party IP rights and comply with relevant licensing terms when software is used, employees are prohibited from duplicating, installing, or using software in violation of its copyright or license terms as part of the Group's information security policy. Employees in violation of the policy will be subject to disciplinary actions. The Group will also notify the manufacturers if any illegal or unauthorised use of their hardware and/or software is noticed.

## ***Protection of Privacy***

During the provision of products and services, a wide range of sensitive information is entrusted to the Group by its clients and partners. Therefore, protecting and maintaining customers' privacy always remain as the first priority of the Group. The Group has established security measures to provide adequate protection and encryption for all data and information upon operation. At the same time, the Group has established strict policies for the collection and use of personal data. Only authorized personnel are able to access and manage sensitive data and information. The Group's employees are prohibited from revealing or capitalising on any confidential matters or client's information no matter during employment or after termination of employment. Any employee who is found to have divulged confidential information to any third parties without authorisation will be subjected to disciplinary actions.

## ***Advertising and Labelling***

Given the Group's business nature, the advertising and labelling issues and its related risks are considered to be immaterial to the Group.

## **B7 Anti-corruption**

As the Group prides itself on its integrity, honesty and fairness, any activities that could compromise its reputation are strictly forbidden. As such, fraudulent events such as corruption, bribery, and collusion are strictly prohibited. To further ensure all employees follow the same ethical standard, the Group has formulated the Anti-Corruption Policy and developed adequate codes to ensure all employees, including directors, adhere to the highest standards of business, professional and ethical practices.

During the Year, there was no concluded legal case regarding corrupt practices brought against the Group or its employees. The Group was also not aware of any material non-compliance with related laws and regulations of bribery, extortion, fraud and money laundering, including but not limited to the Hong Kong Prevention of Bribery Ordinance and the Company Law of the People's Republic of China that have a significant impact on the Group.

The Company has prepared and circulated to our directors and management training material on key corporate governance code where the provision of anti-corruption is included. The Company is also devising a plan to expand the scope of anti-corruption training and extend it to our workforce in the upcoming financial years.

# Environmental, Social and Governance Report

## ***Anti-money Laundering***

The Group has formulated the Anti-money Laundering and Counter-terrorist Financing Policy to ensure that Group has complied with all regulatory rules. It is expressly forbidden to request, accept, or provide any perks, such as gifts, discounts, or tips, from or to our clients, subcontractors, or anyone else having a business connection to the Group. All employees are also forbidden from offering advice or taking part in any transaction that could lead to conflicts of interest. An assessment of the risk of money laundering in the Group's operations will be conducted by the Finance Department annually. Responsible departments will also conduct due diligence prior to the acceptance of business counterparties. For any indicators of suspicious activities, the Financial Manager will report to corresponding independent parties immediately.

## ***Whistleblowing Mechanism***

In efforts to create an honest and ethical working environment, the Board has established and approved whistleblowing policy. This policy allows all employees and stakeholders of the Group to report any forms of negligence, corruption, bribery and other misconducts to the Group. Reports and complaints received will be handled in a prompt, fair and confidential manner. Such policy also aims at protecting whistle-blowers from unfair dismissal, victimisation and unwarranted disciplinary actions. Any person who is found to have victimised or retaliated against those who have raised concerns under this policy will be subjected to disciplinary sanctions.

Our board, particularly our INEDs, will oversee all reports and follow up on all valid and goodwill filings.

Goodwill whistleblowers shall file their reports in sufficient detail and with an option to file in confidence. They shall file their reports in address to our Chairman of Audit Committee through the following two channels.

- by mailing to our registered office in Hong Kong or,
- by emailing to [general@niuholdings.com.hk](mailto:general@niuholdings.com.hk)

To ensure that all employees can perform their duties with high ethical standards and professionalism, the Group has arranged internal and external anti-corruption and corporate governance training and encouraged employees to actively learn about the latest development and future trends of global antimoney laundering.

## **B8 Community Involvement**

The Group endeavours to fulfill its responsibility of contributing to society and strives to be a responsible corporate citizen. The Group has formulated the Charity Policy to set initiatives and procedures for selecting charity partners. As part of the Group's endeavours to promote a socially responsible culture within its corporate structure, all employees are encouraged to participate in charitable activities during their spare time.

# Corporate Governance Report

The Board is pleased to present this corporate governance report for the year ended 31 March 2025. This report highlights the key corporate governance practices of the Company, and explains the principles and the applications as well as deviations (if any) of the CG Code.

## CORPORATE GOVERNANCE PRACTICES

Since the Listing, the Board has recognised that transparency and accountability are important to a listed company. Therefore, the Company is committed in establishing and maintaining good corporate governance practices and procedures. The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture in return to the benefits of the Company's stakeholders as a whole.

The Company has complied with the CG Code with an exception of deviation from Code Provision C.1.7 of the CG Code as explained below:

Under Code Provision C.1.7, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. The Board has not arranged an insurance cover in respect of Directors' liability as the Board considers that the industry, business and financial situation of the Company are currently stable, and the Company has established sufficient internal control system. The Board will review the need for the insurance cover from time to time.

The Directors will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of Shareholders and other stakeholders of the Company.

## INTRODUCTION

The Company's governance code is based on the principles of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the GEM Listing Rules. The Company is committed to ensuring a quality board and transparency and accountability to shareholders.

Under Rule 5.05A of the GEM Listing Rules, an issuer must appoint independent non-executive Directors representing at least one-third of its board of directors. The Board comprised nine members with four executive Directors, two non-executive Directors and three independent non-executive Directors. As such, the number of independent non-executive Directors made up one-third of the Board as required under Rule 5.05A of the GEM Listing Rules.

Save as disclosed in this report, the Company complied with all code provisions in the CG Code during the Year.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiry of all the Directors and was not aware of any non-compliance with the required standard of dealings and the Company's code of conduct regarding securities transactions by Directors during the year ended 31 March 2025.

# Corporate Governance Report

## BOARD OF DIRECTORS

As at the date of this report, the Board comprised nine Directors, including four executive Directors, namely Mr. Tsang Wing Ki, Mr. Man Kwok Hing, Ms. Leung Suet Yiu and Mr. Leung Chun Yu Edmund; two non-executive Directors, namely Mr. Yuen Chi Ping and Mr. Takeda Masahiro and three independent non-executive Directors, namely Ms. Siu Yuk Ming, Ms. Lung Wing Yee and Mr. Leung Man Chun.

Mr. Yuen Chi Ping is the chairman of the Board.

## RESPONSIBILITIES OF THE BOARD

The Board is entrusted with the overall responsibility for promoting the success of the Company by directing and supervising the Company's business and affairs. All the Directors should make decisions objectively in the interests of the Company. The Board makes decisions on certain important matters, including annual business plans, annual financial budgets, annual remuneration proposals, quarterly, interim and annual financial reports, declaration and payment of dividends, and significant acquisitions and disposals. The Board has the full support from the executive Directors and the senior management of the Company to discharge its responsibilities.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management of the Company. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the executive Director(s) and senior management. The Board also assumes the responsibilities of maintaining high standard of corporate governance, including, among others, developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, and reviewing the Company's compliance with the CG Code. All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

The Company has an experienced and committed senior management team. Most of the executive Directors and our senior management have been serving the Group for more than ten years. The committed and continued service of our senior management team allows the Group to execute our business strategies with long-term vision and objective without interruption. Our senior management team is familiar with the operations of our Group, and is responsible for the quality control measures and supervision of our operations in all aspects, including cooperation between our departments and offices in different locations.

The biographical details of the Directors and other senior management are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

## RELATIONSHIPS BETWEEN MEMBERS OF THE BOARD

The directors have no financial, business, family or other material or relevant relationship with each other.

# Corporate Governance Report

## CHAIRMAN AND CHIEF EXECUTIVE

The roles and duties of the chairman of the Board and the chief executive of the Company are carried out by different individuals to achieve a balance of authority and power, which is in compliance with Code Provision C.2.1 of the CG Code.

Currently, Mr. Yuen Chi Ping takes up the role of chairman of the Board and Mr. Tsang Wing Ki takes up the role of managing director of the Company. With the support of the senior management, the chairman and managing director are also responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings. The Board considers that this structure could enhance efficiency in formulation and implementation of the Company's strategies.

## BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the **"Board Diversity Policy"**). Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee reviews the Board's composition under diversified perspectives, and monitors the implementation of the Board Diversity Policy. The Nomination Committee has considered an appropriate balance of diversity of the Board be maintained and neither the Board nor the Nomination Committee has set any measurable objective implementing the Board Diversity Policy.

### Workforce Diversity Policy

The Company values diversity, recognising that a diverse workforce is vital for sustainable business success. It is committed to fostering an inclusive and cooperative work environment where everyone can flourish. The Group strives to ensure equal opportunities across all employment aspects and to maintain a workplace free from discrimination or any form of physical or verbal harassment based on race, religion, color, gender, physical or mental disability, age, place of origin, marital status or sexual orientation.

While the Board has attained a gender ratio of 33.3%, the Company has also maintained a gender ratio of 25.9% for our total workforce.

### Nomination Policy

The nomination policy of the Company was adopted by the Board and became effective on 27 August 2018. Nomination Committee plays the major role of recruitment of suitable candidates to sit on the Board, including appointment and re-appointment of directors to ensure the Board possesses pre-requisite skills, experience and diversified perspectives in line with the Company's business development. The Board bears the ultimate responsibility for the selection and appointment of directors. It will take Nomination Committee's recommendation into consideration for the appointment or re-appointment of candidates as the Company's directors.

# Corporate Governance Report

## Selection Criteria

The Nomination Committee shall endeavor to find individuals of high integrity who have a solid record of accomplishment in their chosen fields and who possess the qualifications, qualities and skills to effectively represent the best interests of all shareholders. Candidates will be selected for their ability to exercise good judgment to provide practical insights and diverse perspectives. The Nomination Committee considers the following qualifications in recommending suitable candidates to the Board:

- high professional and personal ethics;
- independence;
- compliance with legal and regulatory requirements;
- ability to provide insights and practical wisdom based on their experience and expertise relevant to the Company's business;
- commitment to enhancing shareholder value; and
- independent with reference to the independent guidelines set out in Rules 5.05(2) and 5.09 of the GEM Listing Rules if the candidate is nominated as an independent non-executive Director.

These qualifications are for reference and not all suitable candidates may fulfil all of them. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as Director and to the public disclosure of their personal data on documents or the relevant websites for the purpose of or in relation to their standing for election as Director.

The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

## Nomination Procedure

Company secretary of the Board shall call a meeting of the Nomination Committee, and invite nominations of candidates, if any, from Board members for consideration by the Nomination Committee prior to its meeting.

For filling a causal vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

# Corporate Governance Report

A circular will be sent to shareholders in order to provide information concerning the candidates nominated by the Board to stand for election at a general meeting, and to invite nominations from shareholders. The circular will set out the lodgment period for shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to shareholders.

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

The Nomination Committee shall ensure that the composition of the Board is in conformity with the provisions of all applicable laws and regulations.

## **BOARD PROCESS AND BOARD MEETINGS**

The Board meets regularly to determine overall strategies, receive management updates, approve business plans as well as financial results and to consider other significant matters to the Group. Management also provides updates to the Board with respect to the business activities and development of the Group on a regular basis.

Each Director ensures that he/she can give sufficient time and attention to the affairs of the Company and contribute to the Group's development through their constructive and informed comments. All of the members of the Board have also disclosed and updated their number and nature of offices held and time involved in handling the matters of the Company on a regular basis.

# Corporate Governance Report

The Board is scheduled to meet in person or through other electronic means of communication at least four times a year, among other matters, to review past financial and operating performance and discuss the Group's direction and strategies. 2 Board meetings and 6 general meetings were held during the year ended 31 March 2025 and the attendance record of each Director at the Board meetings is set out in the table below:

Name of Directors	Number of attendance/ number of Board meetings	Number of attendance/ number of general meetings
<b>Executive Directors</b>		
Dr. Chan Yin Nin ( <i>Chairman</i> ) (Resigned on 31 March 2025)	2/2	5/6
Mr. Kwong Po Lam ( <i>Managing Director</i> ) (Resigned on 5 November 2024)	2/2	4/6
Mr. Kazuya Yanagihara (Resigned on 31 March 2025)	2/2	5/6
Mr. Man Kwok Hing	2/2	6/6
Ms. Leung Suet Yiu	2/2	6/6
Mr. Tsang Wing Ki ( <i>Managing Director</i> )	2/2	6/6
Mr. Leung Chun Yu Edmund	2/2	6/6
<b>Non-executive Directors</b>		
Mr. Yuen Chi Ping ( <i>Chairman</i> )	0/2	0/6
Mr. Takeda Masahiro	2/2	6/6
Mr. Fukumitsu Hirokazu (Resigned on 31 March 2025)	2/2	5/6
<b>Independent non-executive Directors</b>		
Mr. Choy Wai Shek, Raymond, <i>MH, JP</i> (Resigned on 23 December 2024)	2/2	4/6
Mr. Sze Kyran, <i>MH</i> (Resigned on 23 December 2024)	2/2	4/6
Mr. Hidaka Masakage (Resigned on 31 March 2025)	2/2	5/6
Ms. Siu Yuk Ming	2/2	6/6
Ms. Lung Wing Yee	0/2	1/6
Mr. Leung Man Chun	0/2	1/6



# Corporate Governance Report

## CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of the Directors and senior management; developing and reviewing the Company's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct applicable to employees and Directors; and reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report. The Board holds meetings from time to time whenever necessary. At least 14 days' notice of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all the Directors at least 3 days before the date of every Board meeting in order to allow sufficient time for the Directors to review the documents.

Minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The Directors are supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable them to discharge their duties.

Every Board member has full access to the advice and services of the company secretary of the Company with a view to ensuring that Board procedures, and all applicable rules and regulations are followed. They are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Articles provide that subject to the manner of retirement by rotation of Directors as from time to time prescribed by the GEM Listing Rules, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years.

All Directors (including executive Directors, non-executive Directors and independent non-executive Directors) have been appointed for an initial term of three years commencing from the date of appointment subject to retirement and re-election in accordance with the Articles. Each independent non-executive Directors is required to inform the Company as soon as practicable if there is any change that may affect his/her independence. The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independency pursuant to Rule 5.09 of the GEM Listing Rules and the Company has considered all independent non-executive Directors to be independent.

The Board has recommended the re-appointment of the retiring Directors standing for re-election at the Annual General Meeting. Details of the information of the retiring Directors standing for re-election are set out in the circular accompanying the notice of the Annual General Meeting.

# Corporate Governance Report

## INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with Rule 5.05(1) and 5.05(2) of the GEM Listing Rules, the Company has appointed three independent non-executive Directors, one of whom possesses the appropriate professional qualifications in accounting and financial management. The proportion of independent non-executive Directors in the Board is pursuant to 5.05A of the GEM Listing Rules. Each of the three independent non-executive Directors has confirmed his/her independence of the Company and the Company has considered each of them to be independent in accordance with the guidelines of assessing independence as set out in Rule 5.09 of the GEM Listing Rules. Each of the three independent non-executive Directors has signed a letter of appointment with the Company for a specific term of three years commencing from the date of appointment subject to retirement and re-election in accordance with the Articles.

## CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors are aware of the requirement under Code Provision 5.02F, 5.02G and 5.02H of the CG Code regarding continuous professional development. All Directors also understand the importance of continuous professional development and are committed to participating in any suitable training to develop and refresh their knowledge and skills.

To assist Directors' continuous professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills in relation to their contributions to the Board.

# Corporate Governance Report

According to the training record maintained by the Company, during the year ended 31 March 2025, all Directors had participated in continuous professional development in the following manner:

Name of Directors	Type of trainings
Dr. Chan Yin Nin ( <i>Chairman</i> ) (Resigned on 31 March 2025)	i
Mr. Kwong Po Lam ( <i>Managing Director</i> ) (Resigned on 5 November 2024)	i
Mr. Kazuya Yanagihara (Resigned on 31 March 2025)	i
Ms. Leung Suet Yiu	i
Mr. Man Kwok Hing	i
Mr. Tsang Wing Ki ( <i>Managing Director</i> )	i
Mr. Leung Chun Yu Edmund	i
<b>Non-executive Directors</b>	
Mr. Yuen Chi Ping ( <i>Chairman</i> ) (Appointed on 1 April 2025)	i
Mr. Takeda Masahiro	i
Mr. Fukumitsu Hirokazu (Resigned on 31 March 2025)	i
<b>Independent non-executive Directors</b>	
Mr. Choy Wai Shek, Raymond, <i>MH, JP</i> (Resigned on 23 December 2024)	i
Mr. Sze Kyran, <i>MH</i> (Resigned on 23 December 2024)	i
Mr. Hidaka Masakage (Resigned on 31 March 2025)	i
Ms. Siu Yuk Ming	i, ii
Ms. Lung Wing Yee	i, ii
Mr. Leung Man Chun	i, ii

- i. reading journals and newspaper regarding updates on corporate governance affairs and directors' duties and responsibilities.
- ii. physically attend trainings by professional partners.

## INDUCTION OF NEW DIRECTORS

Every newly appointed Director will undergo a formal, thorough and customised induction upon their initial appointment. This process is designed to ensure they gain a clear understanding of the Company's business and operations, as well as a complete awareness of their responsibilities and duties according to the Listing Rules and applicable legal requirements.

Mr. Tsang Wing Ki (appointed as Executive Director on 3 April 2024), Mr. Leung Chun Yu Edmund (appointed as Executive Director on 23 August 2024), Mr. Takeda Masahiro (appointed as Non-Executive Director on 3 April 2024), Mr. Yuen Chi Ping (appointed as Non-Executive Director on 1 April 2025), Ms. Lung Wing Yee (appointed as Independent Non-Executive Director on 23 December 2024) and Mr. Leung Man Chun (appointed as Independent Non-Executive Director on 31 March 2025) participated in training sessions held before their appointment. During these sessions, an external legal adviser provided legal advice on Hong Kong law as regards the requirements under the Listing Rules that are applicable to them as directors of a listed company and the possible consequences of making false declarations or giving false information to the Hong Kong Stock Exchange. They have all confirmed their understanding of their obligations as directors of a listed company.

# Corporate Governance Report

## BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee particular aspects of the Company's affairs.

### Audit Committee

The Company established the Audit Committee with written terms of reference in accordance with Rule 5.28 to 5.33 of the GEM Listing Rules and in compliance with Code Provision D.3.3 of the CG Code, which are available on the websites of the Stock Exchange and the Company.

The Audit Committee currently consists of three independent non-executive Directors, namely Ms. Siu Yuk Ming, Ms. Lung Wing Yee and Mr. Leung Man Chun. The chairlady of the Audit Committee is Ms. Siu Yuk Ming, who has appropriate professional qualifications as required under the GEM Listing Rules.

The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, re-appointment and removal of external auditors; review the financial statements of the Company and areas involving judgements in respect of financial reporting; and oversee internal control procedures of the Company. All members of the Audit Committee are appointed by the Board.

The works performed by the Audit Committee during the year ended 31 March 2025 are summarised as below:

- (1) reviewed the Group's annual report for the year ended 31 March 2025, and first quarterly report, interim report and third quarterly report for the periods ended 30 June 2024, 30 September 2024 and 31 December 2024, respectively, before recommending them to the Board for approval;
- (2) reviewed the accounting principles and practices adopted by the Company and discussed with the external auditor on the audit matters in relation to the statutory audit for the year ended 31 March 2024;
- (3) reviewed the independence and objectivity of external auditor;
- (4) recommended to the Board on the appointment and re-appointment of the external auditors and the relevant terms of engagement, including their remuneration; and
- (5) reviewed the risk management and internal control systems of the Group and the effectiveness of the Group's internal audit function for the year ended 31 March 2025 which covered financial, operational and compliance controls. The process used in such review included discussions with the management of the Company on the risk areas identified and the review of findings and reports from an independent professional advisor. The Audit Committee reviewed and concurred with the management's confirmation that the Group's risk management and internal control systems were effective and adequate for the year end 31 March 2025.

# Corporate Governance Report

During the year ended 31 March 2025, four Audit Committee meetings were held. The attendance record of each Director at the Audit Committee meetings is set out in the table below:

Name of Directors	Number of attendance/ number of Audit Committee meetings
<b>Independent non-executive Directors</b>	
Mr. Choy Wai Shek, Raymond, <i>MH, JP</i> (Resigned on 23 December 2024)	1/2
Mr. Sze Kyran, <i>MH</i> (Resigned on 23 December 2024)	1/2
Ms. Siu Yuk Ming ( <i>Chairlady</i> )	2/2
Ms. Lung Wing Yee	1/2
Mr. Leung Man Chun	1/2

## Remuneration Committee

The Remuneration Committee has been established with written terms of reference in compliance with Code Provision E.1.2 of the CG Code, which are available on the websites of the Stock Exchange and the Company.

The Remuneration Committee currently comprises three independent non-executive Directors, namely Mr. Leung Man Chun, Ms. Siu Yuk Ming and Ms. Lung Wing Yee, with Mr. Leung Man Chun as the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, make recommendations to the Board on the remuneration packages and/or remuneration of individual Directors and senior management, and review performance-based remuneration; and ensure none of the Directors is involved in determining his/her own remuneration.

The works performed by the Remuneration Committee during the year ended 31 March 2025 are summarised below:

- (1) reviewed the remuneration of the Directors and senior management for the year ended 31 March 2025.
- (2) reviewed the discretionary bonus for executive directors and senior management for the year ended 31 March 2025.

# Corporate Governance Report

During the year ended 31 March 2025, 5 Remuneration Committee meetings were held. The attendance record of each Director at the Remuneration Committee meetings is set out in the table below:

Name of Directors	Number of attendance/ number of Remuneration Committee meetings
<b>Executive Directors</b>	
Dr. Chan Yin Nin (Resigned on 31 March 2025)	4/5
Mr. Kwong Po Lam (Resigned on 5 November 2024)	3/5
<b>Independent non-executive Directors</b>	
Mr. Sze Kyran, <i>MH (Chairman)</i> (Resigned on 23 December 2024)	3/5
Mr. Choy Wai Shek, Raymond, <i>MH, JP</i> (Resigned on 23 December 2024)	3/5
Mr. Leung Man Chun ( <i>Chairman</i> )	0/5
Ms. Siu Yuk Ming	5/5
Ms. Lung Wing Yee	1/5

The emoluments payable to Directors depends on their respective contractual terms under the service contracts or the appointment letters, and as recommended by the Remuneration Committee. The Remuneration Committee makes recommendations to the Board on the remuneration packages of individual executive Directors and senior management, and remuneration of non-executive Directors and independent non-executive Directors. Details of the Directors' emoluments are set out in note 12 to the consolidated financial statements.

Pursuant to Code Provision E.1.5 of the CG Code, details of the remuneration of the senior management (other than Directors) by bands for the year ended 31 March 2025 is as follows:

	Number of employees
Nil to HK\$1,000,000	–
HK\$1,000,001 to HK\$1,500,000	3

## Nomination Committee

The Nomination Committee has been established with written terms of reference in compliance with Code Provision B.3.1 of the CG Code, which are available on the websites of the Stock Exchange and the Company.

The Nomination Committee currently comprises three independent non-executive Directors, namely Ms. Lung Wing Yee, Ms. Siu Yuk Ming and Mr. Leung Man Chun, with Ms. Lung Wing Yee as the chairlady of the Nomination Committee.

# Corporate Governance Report

The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy; identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships with reference to the Board Diversity Policy; assess the non-executive Directors and independence of independent non-executive Directors; and make recommendations to the Board on the appointment or re-appointment of Directors.

The Nomination Committee and the Board, when forming their recommendations on the proposals on re-election of retiring Director(s) and election of new Director(s), have been following the Company's nomination policy which sets out a mechanism for nominating talented and capable person(s) to lead the Company. The nomination policy can be viewed on the Company's website at [www.wcce.hk](http://www.wcce.hk).

The works performed by the Nomination Committee during the year ended 31 March 2025 are summarised below:

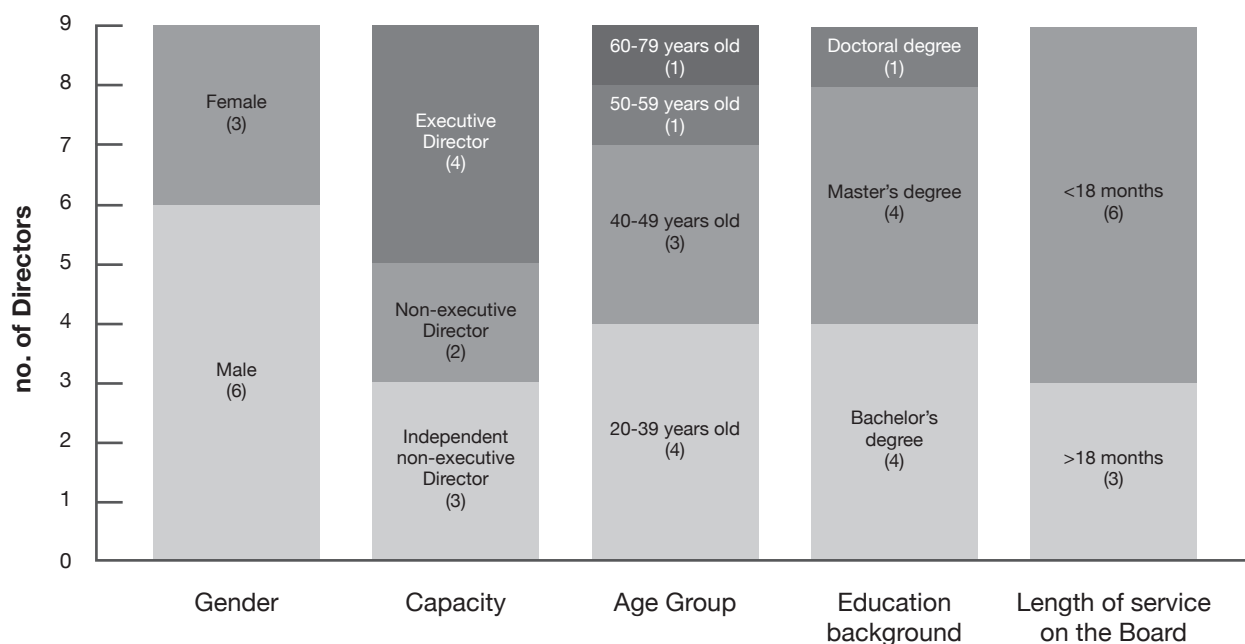
- (1) reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board;
- (2) recommended on proposed changes to the Board to complement the Company's corporate strategy;
- (3) assessed the independence of independent non-executive Directors;
- (4) reviewed the Board Diversity Policy;
- (5) make recommendations to the Board on the appointment of executive directors and non-executive directors; and
- (6) recommended the re-election of the retiring directors at the general meeting of the Company.

# Corporate Governance Report

During the year ended 31 March 2025, one Nomination Committee meetings was held. The attendance record of each Director at the Nomination Committee meetings is set out in the table below:

Name of Directors	Number of attendance/ number of Nomination Committee meetings
<b>Executive Directors</b>	
Dr. Chan Yin Nin (Resigned on 31 March 2025)	4/5
Mr. Kwong Po Lam (Resigned on 5 November 2024)	3/5
<b>Independent non-executive Directors</b>	
Mr. Choy Wai Shek, Raymond, <i>MH, JP (Chairman)</i> (Resigned on 23 December 2024)	3/5
Mr. Sze Kyran, <i>MH</i> (Resigned on 23 December 2024)	3/5
Ms. Lung Wing Yee ( <i>Chairlady</i> )	0/5
Ms. Siu Yuk Ming	5/5
Mr. Leung Man Chun	1/5

An analysis of the Board's diversity as at the date of this report is set out as follows:



The Nomination Committee considered an appropriate balance of diversity of the Board has been maintained during the year.



# Corporate Governance Report

## **DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group that gives a true and fair view of the state of affairs of the Group. The Directors aim to present a balanced and understandable assessment of the Group's position and prospects with timely publication of the financial statements of the Group. As at 31 March 2025 and as at the date of this report, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern.

The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the Shareholders. The statements by external auditor, McMillan Woods (Hong Kong) CPA Limited, about their reporting responsibility on the consolidated financial statements of the Group for the year ended 31 March 2025 are set out in the independent auditor's report on pages 73 to 78 of this annual report.

## **INTERNAL CONTROL AND RISK MANAGEMENT**

The Board oversees management in the establishment, implementation and monitor of the Group's internal control system to safeguard Shareholders' interests and the assets of the Group. The internal control system of the Group aims to facilitate effective and efficient operation which in turn minimises the risks to which the Group is exposed. The Board is responsible for the risk management and internal control systems of the Group and reviewing their effectiveness. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against misstatement or losses.

During the year ended 31 March 2025, the Group has complied with Principle D.2 of the CG Code by establishing and maintaining appropriate and effective risk management and internal control systems. Management is responsible to establish, implement and monitor the Group's internal control system underpinning the risk management framework. All employees are committed to implement the risk management framework into the daily operation. The Board assesses the effectiveness of internal controls by considering reviews performed by the Audit Committee and senior management. Main features of the risk management and internal control systems are described below:

# Corporate Governance Report

## Risk Management System

The Group is committed to the identification, monitoring and management of risks associated with its business activities. The Group adopts a risk management system which manages the risk associated with its businesses and operations. The system comprises the following phases:

- *Identification:* Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- *Evaluation:* Analyse the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- *Management:* Consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.

## Internal Control System

The Company has an internal control system in place. The system enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the system are shown as follows:

- *Control Environment:* A set of standards, processes and structures that provide the basis for carrying out internal controls across the Group.
- *Risk Assessment:* A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- *Control Activities:* Actions established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- *Information and Communication:* Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- *Monitoring:* Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

The Group has engaged McM Business Service Limited, an independent internal control adviser, to carry out the internal audit functions by performing independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems during the year. For the year ended 31 March 2025, a review of the effectiveness of the Group's risk management and internal control systems was conducted by McM Business Service Limited, and the review results were summarised and reported to the Audit Committee and the Board.

# Corporate Governance Report

For the year ended 31 March 2025, the Board has conducted a review of the effectiveness of the Group's risk management and internal control systems through the Audit Committee's review covering all material controls, including financial, operational and compliance controls, and is of the view that the Group's risk management and internal control systems are adequate and effective to safeguard the interests of Shareholders and the Company as a whole.

## Objectives of Risk Management and Internal Control

The objectives of the risk management and internal control system of the Group are to identify and manage the risk of the Group's with the acceptable safety levels and achieve the Group's strategic objectives. The Group has adopted a three line risk management approach to identify, analysis, evaluation, mitigate and handle risks. At the first line of defence, staff in office/on site who must understand their roles and responsibilities are responsible for identifying, assessing and monitoring risks associated with transactions. The second line of defence is the Group's management that provides independent oversight of the risk management activities of the first line of defence. They ensure that risks are within the Group's risk capacity and that the control of the first line of defence is effective. As the final line of defence, the Audit Committee, with the advices and opinions from the external professional party (such as the external auditor and internal control adviser), conducts a review on annual basis and ensures that the first and second lines of defence are performed effective.

## Handling and Dissemination of Inside Information

The Board acknowledges its responsibilities under the SFO and the Listing Rules that inside information should be announced immediately when it is the subject of a decision. The inside information policy of the Company sets out guidelines and procedures for the Directors and relevant officers of the Group to ensure inside information of the Group is to be disseminated to the public on an equal basis and in timely manner. Directors and relevant officers in possession of potential inside information and/or inside information of the Group are required to take reasonable measures to ensure that proper safeguards are in place to preserve strict confidentiality of inside information and to ensure that its recipients recognise their obligations to maintain the information confidential. The Board will update and review the policy as and when necessary in light of changes in circumstances and changes in the Listing Rules, Part XIVA of the SFO and relevant statutory and regulatory requirements from time to time.

# Corporate Governance Report

## AUDITOR'S REMUNERATION

McMillan Woods (Hong Kong) CPA Limited is the external auditor of the Company which was appointed by the Board on 25 January 2022.

The amount of fees charged by the external auditor generally depends on the scope and volume of the external auditor's work performed.

For the year ended 31 March 2025, the remuneration paid or payable to the external auditor of the Company in respect of the statutory audit services and non-audit services for the Group are as follows:

	2025 HK\$'000	2024 HK\$'000
Statutory audit services	800	720
Non-audit services*	—	—

\* The non-audit services were mainly for reviewing interim and quarterly results.

## COMPANY SECRETARY

**Mr. Ng Chun Chung** ("Mr. Ng"), aged 43, graduated from Lingnan University with a degree of Bachelor of Business Administration in Accounting. He is a practising certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales.

Mr. Ng has over 18 years of working experience in auditing, accounting, investment and corporate finance.

## SHAREHOLDERS' RIGHTS

As one of the measures to safeguard Shareholders' interest and rights, separate resolutions can be proposed at Shareholders' meetings on each substantial issue, including the election of individual Directors, for Shareholders' consideration and voting. All resolutions put forward at Shareholders' meeting will be voted by poll pursuant to the GEM Listing Rules and the poll voting results will be posted on the websites of the Stock Exchange and the Company after the relevant Shareholders' meeting.

# Corporate Governance Report

## PROCEDURES FOR SHAREHOLDERS TO CONVENE EXTRAORDINARY GENERAL MEETING

The following procedures for Shareholders to convene an extraordinary general meeting of the Company (the “**EGM**”) are subject to the Articles (as amended from time to time), and the applicable legislation and regulation, in particular the GEM Listing Rules (as amended from time to time):

- (a) any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company (the “**Eligible Shareholder(s)**”) carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company (the “**Company Secretary**”), to require an EGM to be called by the Board for the transaction of any business specified in such requisition;
- (b) Eligible Shareholders who wish to convene an EGM must deposit a written requisition (the “**Requisition**”) signed by the Eligible Shareholder(s) concerned to the head office and principal place of business of the Company in Hong Kong at 11/F, Metropole Square, No. 2 On Yiu Street, Shek Mun, Shatin, New Territories, Hong Kong, or the branch share registrar in Hong Kong of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong SAR (the “**Hong Kong Branch Share Registrar**”) for the attention of the Board and/or the Company Secretary;
- (c) the Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding, the reason(s) to convene an EGM and the details of the business(es) proposed to be transacted in the EGM, and must be signed by the Eligible Shareholder(s) concerned together with a deposit of a sum of money reasonable sufficient to meet the Company’s expenses in serving the notice of the resolution and circulating the statement submitted by the Eligible Shareholders concerned in accordance with the statutory requirements to all the registered Shareholders;
- (d) the Requisition will be verified with the Hong Kong Branch Share Registrar and upon their confirmation that the Requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the Articles to all the registered Shareholders. On the contrary, if the Requisition has been verified as not in order or the Shareholders concerned have failed to deposit sufficient money to meet the Company’s expenses for the said purposes, the Eligible Shareholder(s) concerned will be advised of this outcome and the Board will not accordingly call for an EGM;
- (e) if within 21 days of the deposit of the Requisition, the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

## PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS’ MEETINGS

There are no provisions allowing Shareholders to move new resolutions at the general meetings of the Company under the Companies Law of Cayman Islands. However, pursuant to the Articles, Shareholders who wish to move a resolution may by means of Requisition convene an EGM following the procedures set out above.

# Corporate Governance Report

## PROCEDURES FOR RAISING ENQUIRIES

### Right to put enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be first directed to the Company Secretary at the principal place of business of the Company in Hong Kong at 11/F, Metropole Square, No. 2 On Yiu Street, Shek Mun, Shatin, New Territories, Hong Kong.

Should there are any enquiries and concerns from Shareholders, they may send written enquiries to the principal place of business of the Company in Hong Kong at 11/F, Metropole Square, No. 2 On Yiu Street, Shek Mun, Shatin, New Territories, Hong Kong by post for the attention of the Board and/or the Company Secretary.

Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

## COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

The Board recognises the importance of good communications with all Shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its Shareholders and investment public.

The Company updates its Shareholders on its latest business development and financial performance through its annual, interim and quarterly reports. The disclosure of the Group's information in a reasonable and time manner by the Board is to facilitate the shareholders as well as the investors to have better understanding in relation to the business performance, operations and strategies of the Group. Through our website at [www.wcce.hk](http://www.wcce.hk) which allow the Company's potential and existing investors as well as the public to assess and acquire the up-to-date company and financial information. The contact details of the Company are provided in the annual report and the Company's website. Shareholders can send their enquiries to the Board through these means.

The Board welcomes views of shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board or the management directly. Board members of the Group are available at the meetings to answer any questions raised by shareholders.

After reviewing the Shareholders' communication channels, the Board is of view that the Shareholders communication policy adopted by the Company has been effectively implemented during the year ended 31 March 2025.

## CONSTITUTIONAL DOCUMENTS

Pursuant to Rule 17.102 of the GEM Listing Rules, the Company has published on the respective websites of the Stock Exchange and the Company its Memorandum and Articles of Association. The Company adopted the amended and restated Memorandum and Articles of Association of the Company on 27 August 2018 to comply with the listing requirements in Hong Kong. During the year ended 31 March 2025, there has been no change in the Company's constitutional documents.

# Corporate Governance Report

## DIVIDEND POLICY

The Company has implemented a dividend policy aimed at enabling Shareholders to share in the Company's profits while ensuring sufficient reserves are maintained to support the Group's ongoing growth. Any decision regarding the declaration, type, timing and amount of dividends must comply with applicable laws and regulations and the Company's Articles of Association. When determining whether to distribute dividends, the Board will consider various factors such as the Company's financial performance, available distributable reserves, operational and liquidity needs, as well as present and future development plans. The Board will periodically review and, if necessary, update the Company's dividend policy. The Company has adopted a dividend policy, the objective of which is to allow Shareholders to participate in the Company's profits whilst retaining adequate reserves to sustain the Group's future growth. The declaration, form, frequency and amount of dividend paid by the Company must be in accordance with relevant laws and regulations and subject to the Articles. In deciding whether to declare any dividend, the Board will take into account a number of factors, including the financial results, the distributable reserves, the operations and liquidity requirements, and the current and future development plans of the Company. The Board will review the dividend policy of the Company as appropriate from time to time.

## RESULTS AND APPROPRIATIONS

The Group's financial results for the year ended 31 March 2025 are presented in the consolidated statement of profit or loss and other comprehensive income on page 79 of this annual report.

The Board has not proposed a final dividend for the year ended 31 March 2025 (31 March 2024: none).

# Directors' Report

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

## CORPORATE ESTABLISHMENT

The Company was incorporated in the Cayman Islands as an exempted Company with limited liability on 25 August 2017 under the Companies Law of Cayman Islands.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are: (i) provision of geotechnical engineering consultancy services and (ii) provision of IT solutions and services in Hong Kong and the PRC. The activities and particulars of the Company's subsidiaries are demonstrated under note 29 to the consolidated financial statements of this annual report.

## BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2025 required by Schedule 5 to the Hong Kong Companies Ordinance is set out in the section headed "Management Discussion and Analysis" on pages 6 to 12 of this annual report.

## KEY RISKS AND UNCERTAINTIES

The Group believes that there are certain risks involved in our operations, many of which are beyond our control. The relatively material risks encompass the following:

- the Group relies heavily on our professional staff, in particular, our management team, in operating the business;
- our continued success depends on our responsiveness to our client's preference;
- the Group determines the tender price based on, among other things, the estimated time and costs involved in a project, which may deviate from the actual time and costs involved;
- negative publicity or damage to our business reputation may have a potential adverse impact on our project engagement;



# Directors' Report

- the Group's revenue is mainly derived from projects which are non-recurring in nature;
- the Group is subject to potential exposure to professional liabilities;
- the service fee may not be paid in full due to our clients' projects not being completed as originally planned;
- the Group exposes to the credit risk of trade receivables and may experience increasing balance of such receivables and longer trade receivables' turnover days in the future; and
- mismatch in liquidity and cashflow associated with net bank overdraft position mainly caused by the prolonged trade receivables settlement cycle as our Group generally offered no credit terms to our clients.

Details of these risks are set out in the section headed "Risk factors" in the Prospectus.

## COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 March 2025 and up to the date of this report, as far as the Company is aware, there was no material breach or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

## ENVIRONMENTAL POLICY AND PERFORMANCE

The Group is committed to contributing to the sustainability of the environment from its business activities. The Group has established measures and created certain environmental framework to minimise and monitor the environmental impacts attributable to its operations. The Group has implemented green office practices such as acquisition of second-hand office furniture as far as possible, use of recycled paper for printing and copying, and switching off idling lightings and electrical appliances to reduce energy consumption.

Further discussions on the environmental policies and performances of the Company are set out in the Environmental, Social and Governance Report on pages 20 to 38 of this annual report.

## RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group believes that employees are valuable assets and regards human resources as its corporate wealth. The objective of the Group's human resource management is to reward and recognise performing staff by providing an attractive remuneration package. The Group determines the salary of its employees mainly based on each employee's qualifications, relevant experience, position and seniority. The Group conducts annual review on salary rises, bonuses and promotions based on the performance of each employee. The Group has employee handbooks outlining terms and conditions of employment, expectations of employees' conduct, employees' rights and benefits.

The Group treasures to maintain a good relationship with its customers. We are committed to offering a broad and diverse range of inspiring, value-for-money and good quality designs to our customers.

# Directors' Report

The Group maintains a fair, safe and ethical approach in its day-to-day operation towards its numerous and diversified subconsultants. To comply with the laws and regulations of its operating countries, the Group has established stringent internal controls on procuring services through fair and unbiased tender process. The selection of subconsultants will be based on competitive pricing, specifications and standards and service quality as well as service support.

## DIVIDEND POLICY

The Company has adopted a dividend policy, the objective of which is to allow Shareholders to participate in the Company's profits whilst retaining adequate reserves to sustain the Group's future growth. The declaration, form, frequency and amount of dividend paid by the Company must be in accordance with relevant laws and regulations and subject to the Articles. In deciding whether to declare any dividend, the Board will take into account a number of factors, including the financial results, the distributable reserves, the operations and liquidity requirements, and the current and future development plans of the Company. The Board will review the dividend policy of the Company as appropriate from time to time.

## RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 79 of this annual report.

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

## ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The Annual General Meeting is scheduled to be held on 30 September 2025. In order to determine eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 25 September 2025 to Tuesday, 30 September 2025, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Hong Kong Branch Share Registrar not later than 4:30 p.m. Wednesday, 24 September 2025.

## FINANCIAL SUMMARY

The summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 152 of this annual report.

## PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

# Directors' Report

## SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 27 to the consolidated financial statements.

## USE OF PROCEEDS FROM THE SHARE OFFER

As at 31 March 2025, the Company has utilised the net proceeds raised from the Share Offer in accordance with the intended use of proceeds set out in the Prospectus. Details of the intended use of proceeds and utilised net proceed are set out on page 11 of this annual report.

## SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 27 August 2018 (the “**Adoption Date**”). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

The following is a summary of the principal terms of the Share Option Scheme:

### (a) Purpose

The Share Option Scheme is established to recognise and acknowledge the contributions that the Eligible Participants (as defined in paragraph (b) below) had or may have made to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) motivating the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) attracting and retaining or otherwise maintaining an on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

# Directors' Report

## (b) Participants of the Share Option Scheme

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “**Eligible Participants**”) to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (g) below:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any directors (including non-executive Directors and independent non-executive Directors) of the Company or any of its subsidiaries; and
- (iii) any advisers, consultants, subconsultants, customers and agents of the Company or any of its subsidiaries and such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Company or any of its subsidiaries.

## (c) Total number of Shares available for issue

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall be 9,600,000 Shares after share consolidation, representing 6.6% of the issued Shares of the Company as at the date of this annual report.

## (d) Maximum entitlement of each Eligible Participant

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options and Shares which were the subject of options which have been granted and accepted under the Share Option Scheme or any other scheme of our Company but subsequently cancelled) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the issued Shares as at the date of grant. Any further grant of options in excess of this 1% limit must be approved by the Shareholders in general meeting in advance.

Options granted to a substantial Shareholder or an independent non-executive Director or their respective associates (as defined in the GEM Listing Rules) in any 12-month period up to and including the date of such grant (a) representing in aggregate over 0.1% of the total number of Shares in issue; and (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, must be approved by the Shareholders in general meeting in advance.

## (e) Minimum vesting period

No minimum period for which an option must be held before the exercise of any option save as otherwise imposed by the Board in the relevant offer of options.

# Directors' Report

## **(f) Payment on acceptance of the option**

Participants of the Share Option Scheme are required to submit to the Company a duly signed offer letter within 21 days from the offer date together with a remittance in favour of the Company of HK\$1 as the consideration of the grant.

## **(g) Basis of determining the exercise price**

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

## **(h) Time of exercise of option and duration of the Share Option Scheme**

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the Adoption Date. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date. The remaining life of the Share Option Scheme is approximately 4 years.

No options have been granted during the year ended 31 March 2025 and there were no options outstanding as at 31 March 2025.

## **EQUITY-LINKED AGREEMENTS**

Other than the Share Option Scheme, no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

# Directors' Report

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 81 of this annual report.

## DISTRIBUTABLE RESERVES

As at 31 March 2025, the Company's reserves available for distribution to the Shareholders, comprising share premium and retained profits, calculated in accordance with the Companies Law of Cayman Islands amounted to approximately HK\$31.7 million (31 March 2024: HK\$56.9 million).

## CHARITABLE DONATIONS

During the year ended 31 March 2025, the Group did not make any charitable or other donations.

## MAJOR CUSTOMERS AND SUBCONSULTANTS

For the year ended 31 March 2025, the percentage of revenue attributable to the Group's major customers is set out below:

### Revenue

- |   |        |
|---|--------|
| – The largest customer                    | 9.59%  |
| – The total of the five largest customers | 29.72% |

For the year ended 31 March 2025, the percentage of cost of services attributable to the Group's major subconsultants is set out below:

### Cost of services

- |  |        |
|--|--------|
| – The largest subconsultant                    | 28.18% |
| – The total of the five largest subconsultants | 77.31% |

None of the Directors or any of their close associates (as defined in the GEM Listing Rules), or any of the Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest subconsultants during the year ended 31 March 2025.

# Directors' Report

## DIRECTORS

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

### Executive Directors

Mr. Tsang Wing Ki (*Managing Director*)

Mr. Man Kwok Hing

Ms. Leung Suet Yiu

Mr. Leung Chun Yu Edmund

### Non-Executive Directors

Mr. Yuen Chi Ping (*Chairman*)

Mr. Takeda Masahiro

### Independent non-executive Directors

Ms. Siu Yuk Ming

Ms. Lung Wing Yee

Mr. Leung Man Chun

Pursuant to Article 83(3) of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members of the Company after his appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Mr. Leung Chun Yu Edmund, Mr. Yuen Chi Ping, Ms. Lung Wing Yee and Mr. Leung Man Chun shall hold office only until the Annual General Meeting and, being eligible may offer themselves for re-election at the Annual General Meeting pursuant to Article 83(3) of the Articles.

Pursuant to Article 84(1) 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 (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Mr. Takeda Masahiro, Mr. Man Kwok Hing and Ms. Siu Yuk Ming will retire and, being eligible, offer themselves for re-election at the Annual General Meeting pursuant to Article 84 of the Articles.

## BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of the Directors are set out on pages 13 to 19 of this annual report.

# Directors' Report

## DIRECTORS' SERVICE CONTRACTS

Mr. Tsang Wing Ki, Mr. Man Kwok Hing, Ms. Leung Suet Yiu and Mr. Leung Chun Yu Edmund, executive Directors, have entered into director agreements with the Company for a term of three years commencing from the date of appointment until terminated by not less than one month's notice in writing served by either party on the other.

Mr. Yuen Chi Ping and Mr. Takeda Masahiro, non-executive Directors, have entered into director agreements with the Company for a term of three years commencing from the date of appointment until terminated by not less than one month's notice in writing served by either party on the other.

Ms. Siu Yuk Ming, Ms. Lung Wing Yee and Mr. Leung Man Chun an independent non-executive Director, have entered into director agreements with the Company for a term of three years commencing from the date of appointment until terminated by not less than one month's notice in writing served by either party on the other.

None of the Directors proposed for re-election at the Annual General Meeting has entered into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment compensation other than the statutory compensation.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements and contracts of significance, to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or a connected entity of a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## PERMITTED INDEMNITY PROVISION

The Articles provides that the Directors shall be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts. Such provision was in force during the year ended 31 March 2025 and remains in force as at the date of this annual report.

## CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders or any of its subsidiaries during the year ended 31 March 2025.



# Directors' Report

## MANAGEMENT CONTRACT

No contract, other than employment contracts, concerning the management and administration of the whole and any substantial part of the Group was entered into or existed during the year.

## EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 13 and note 14 to the consolidated financial statements.

## EMOLUMENT POLICY

Remuneration is mainly determined with reference to market trends, the Group's operating results and the performance, qualification and experience of individual employee. Remuneration packages mainly consisted of basic salary, medical coverage, overtime allowance and travelling allowance as well as discretionary bonus.

The Group offers competitive remuneration and benefit package to its employees. Further, the Company has adopted the Share Option Scheme to provide incentive or reward to the Group's employees for their contributions to promote the long-term growth of the Group.

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure for making recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group. The remuneration of the Directors are mainly determined by reference to the Group's operating results, comparable market statistics, the responsibilities and duties assumed by each Director as well as their individual performance.

## PENSION SCHEME

In Hong Kong, the Group participates in the Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Schemes Ordinance. For members of the MPF Scheme, the Group contributes 5% of the relevant payroll costs per employee, at a maximum of HK\$1,500 per month for the year ended 31 March 2025. The Group also contributes voluntary contribution, at a maximum of HK\$1,500 per month, to certain employees as staff benefits for the year ended 31 March 2025.

The Group also participates in the local retirement or social security schemes in countries or locations where the Group operates. The Group is required to make defined contributions to the schemes at rates calculated as a certain percentage of the monthly payroll or as stipulated by the relevant government authorities.

## COMPETING AND CONFLICT OF INTERESTS

The Directors are not aware of any business or interest of the Directors, the Controlling Shareholders or any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group, and any other conflicts of interest which any such person has or may have with the Group during the year ended 31 March 2025.

# Directors' Report

## DISCLOSURE OF INTERESTS

### A. Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporation

As at 31 March 2025, interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporation (within the meaning of Part XV of the SFO) which were required (i) 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 were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

#### *Long position in the Shares*

Name of Directors	Capacity/Nature of interest	Number and class of Shares held	Approximate percentage of shareholding in the total issued share capital of the Company <sup>(Note 1)</sup>
Mr. Yuen Chi Ping	Beneficial owner	218,236,000 ordinary Shares	15.79%

Notes:

(1) Based on the number of issued Share of 138,200,000 as at 31 March 2025.

Save as disclosed above, as at 31 March 2025, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

# Directors' Report

## **B. Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares**

As at 31 March 2025, interests and short positions of the person (other than the Directors or chief executive of the Company) in the Shares and underlying Shares which were required to be recorded in the register required to be kept under Section 336 of the SFO were as follows: None

Save as disclosed above, as at 31 March 2025, so far as is known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporation" above, had notified the Company of an interest or a short position in the Shares or underlying Shares that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the year ended 31 March 2025 were rights to acquire benefits by means of the acquisition of Shares or debentures of the Company or any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights.

## **RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS**

Details of the related party transactions of the Group for the year ended 31 March 2025 are set out in note 33 to the consolidated financial statements of this annual report.

The related party transactions as disclosed in note 33 to the consolidated financial statements of this annual report are not regarded as connected transactions under Chapter 20 of the GEM Listing Rules.

The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

## **CONFIRMATION OF INDEPENDENCE**

The Company has received from each of the independent non-executive Directors a confirmation of independence pursuant to rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors to be independent.

## **SUFFICIENCY OF PUBLIC FLOAT**

From publicly available information and as far as the Directors are aware, the Company has maintained a sufficient public float since the Listing Date and has continued to maintain such a float under the GEM Listing Rules as at the date of this annual report.

# Directors' Report

## AUDITOR

There have been no changes in the Company's auditor over the past three years. McMillan Woods (Hong Kong) CPA Limited has been appointed as the auditor of the Company with effect from 25 January 2022.

The consolidated financial statements of the Company for the year ended 31 March 2025 have been audited by McMillan Woods (Hong Kong) CPA Limited.

McMillan Woods (Hong Kong) CPA Limited will retire and, being eligible, offer themselves for re-appointment at the Annual General Meeting. A resolution for their re-appointment as auditor of the Company will be proposed at the Annual General Meeting.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period are set out in note 34 to consolidated financial statements.

By order of the Board  
**NIU Holdings Limited**

**Mr. Yuen Chi Ping**  
*Chairman*

Hong Kong, 31 July 2025

# Independent Auditor's Report



**McMillanWoods**

Professionalism at the forefront

## **TO THE SHAREHOLDERS OF NIU HOLDINGS LIMITED (FORMERLY KNOWN AS “KING OF CATERING (GLOBAL) HOLDINGS LTD.”)**

*(Incorporated in the Cayman Islands with limited liability)*

### **OPINION**

We have audited the consolidated financial statements of NIU Holdings Limited (formerly known as “King Of Catering (Global) Holdings Ltd.”) (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on page 79 to 151, 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 material accounting policy 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 HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**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.

### **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgement, 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 Group's consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we identified are:

1. Revenue recognition from contracts with customers; and
2. Allowance of expected credit losses (“**ECLs**”) for trade receivables and contract assets.

# Independent Auditor's Report

## KEY AUDIT MATTERS (CONTINUED)

### Key Audit Matter

### How our audit addressed the Key Audit Matter

#### *Revenue recognition from contracts with customers*

Refer to material accounting policy information in note 4, key sources of estimation uncertainties in note 5 and its relevant disclosures in note 8 to the consolidated financial statements

We identified the revenue recognition on comprehensive structural and geotechnical engineering consultancy service income as a key audit matter due to the significant judgments exercised by the management in determining the estimation of contract revenue by basing on contract costs incurred using input method.

For the year ended 31 March 2025, the Group recognised revenue from comprehensive structural and geotechnical engineering consultancy services amounting to approximately HK\$103,474,000. The Group recognises contract revenue by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Accordingly, revenue recognition involves a significant degree of judgement, with estimates being made to assess the total contract costs and stage of completion of the contract and to provide appropriately for loss making contracts. The management reviews and revises the estimates of total contract costs for the comprehensive structural and geotechnical engineering consultancy services as the contract progresses, hence the actual outcome of the contract in terms of its total contract costs may be higher or lower than the estimates previously made and this will affect the revenue and profit recognised for the financial year.

Our audit procedures in relation to revenue recognition from contracts with customers included:

- Understanding the procedures and relevant internal controls of the Group in preparing and updating cost budgets for the projects and recording contract costs;
- Evaluating the basis of contract budgets through discussion with management about preparation of those budgets;
- Checking the allocation of staff costs to contracts, being the major components of contract costs, on a sample basis, by reference to the timesheet recording system and human resources records;
- Testing contract costs incurred to date and total budgeted costs to underlying supporting evidence, on a sample basis;
- Assessing whether provisions for loss making contracts made by management were appropriate;
- Assessing reliability of contract budgets by comparing actual contract costs against original budgeted costs of completed projects;
- Checking the calculations of percentage of completion of individual contract and the amounts of contract revenue and gross profit recognised.

# Independent Auditor's Report

## KEY AUDIT MATTERS (CONTINUED)

### Key Audit Matter

### How our audit addressed the Key Audit Matter

#### ***Allowance of ECLs for trade receivables and contract assets***

Refer to material accounting policy information in note 4, key sources of estimation uncertainties in note 5 and its relevant disclosures in notes 20 and 22 to the consolidated financial statements

We identified the allowance of ECLs for trade receivables and contract assets as a key audit matter due to the significance of trade receivables and contract assets to the Group's consolidated statement of financial position and the involvement of subjective judgement and management estimation in evaluating the ECLs of the Group's trade receivables and contract assets at the end of the reporting period.

As at 31 March 2025, the Group's net trade receivables and contract assets amounted to approximately HK\$48,099,000 and HK\$29,844,000 respectively, which are material to the consolidated financial statements.

As disclosed in note 6(a) to the consolidated financial statements, the Group uses provision matrix to calculate the ECL. The provision rates are based on debtor's aging consisting of debtors with common credit risk characteristic. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

As disclosed in note 6(a) to the consolidated financial statements, allowance of ECLs of approximately HK\$3,732,000 for the Group's trade receivables was recognised and allowance of ECLs of approximately HK\$268,000 for contract assets was recognised during the year ended 31 March 2025. The Group's allowance for lifetime ECL on trade receivables and contract assets as at 31 March 2025 amounted to approximately HK\$13,067,000 and HK\$1,728,000, respectively.

Our procedures in relation to allowance of ECLs for trade receivables and contract assets included:

- Understanding the management process in estimation of ECL and the methodology for ECL model adopted by the Group;
- Tracing the information used by management to develop the provision matrix as at 31 March 2025 to supporting bases and evidences on a sample basis;
- Obtaining and testing the accuracy of trade receivables and contract assets aging analysis as at 31 March 2025, on a sample basis, by comparing individual items in the analysis with the relevant invoices; and
- With the assistance of auditor's report, 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 trade receivables, the reasonableness of management's grouping of the remaining trade receivables and contract assets into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information including the economic variables, assumptions and probability weighting used in each of the economic scenarios).

# Independent Auditor's Report

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all of the information included in annual report, other than 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.

## RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE 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 HKFRS Accounting Standards 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 Audit Committee assists the directors in discharging their responsibilities 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. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



# Independent Auditor's Report

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgement 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose 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.

# Independent Auditor's Report

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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 Audit Committee, 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.

### **McMillan Woods (Hong Kong) CPA Limited**

*Certified Public Accountants*

### **Leung Kam Wa**

*Audit Engagement Director*

Practising Certificate Number: P08370

24/F., Siu On Centre,

188 Lockhart Road, Wan Chai, Hong Kong

Hong Kong, 31 July 2025

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Note	Year ended 31 March	
		2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>	8	104,274	100,981
<b>Cost of services</b>		(79,755)	(67,667)
<b>Gross profit</b>		24,519	33,314
Other income	9	1,410	1,906
Other losses-net	9	(91)	(216)
Loss on deemed disposal of an associate	18	–	(11,836)
Fair value changes on financial assets at fair value through profit or loss (“FVTPL”)		77,700	18,307
Allowance of ECLs for trade and other receivables and contract assets, net		(4,012)	(2,734)
General and administrative expenses		(35,125)	(40,018)
Share of result of an associate	18	–	5,278
Finance costs	10	(388)	(417)
<b>Profit before tax</b>	11	64,013	3,584
Income tax credit	12	493	134
<b>Profit for the year attributable to owners of the Company</b>		64,506	3,718
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		18	202
Other comprehensive income for the year, net of tax		18	202
<b>Total comprehensive income for the year attributable to owners of the Company</b>		64,524	3,920
<b>Earnings per share attributable to owners of the Company</b>			(Restated)
– basic and diluted (HK cents)	15	47.50	3.19

# Consolidated Statement of Financial Position

At 31 March 2025

		At 31 March 2025	2024
	Note	HK\$'000	HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	16	2,590	3,592
Right-of-use assets	17	9,066	6,396
Financial asset at fair value through profit or loss ("FVTPL")	21	96,831	26,631
Rental deposits		743	929
Prepayments	20	1,500	–
Deferred tax assets	19(b)	1,500	1,056
		<b>112,230</b>	<b>38,604</b>
<b>Current assets</b>			
Trade and other receivables	20	84,987	48,757
Contract assets	22	29,844	26,231
Tax recoverable	19(a)	–	1,066
Cash and cash equivalents	23	16,358	40,323
		<b>131,189</b>	<b>116,377</b>
<b>Current liabilities</b>			
Trade and other payables	24	8,808	8,571
Contract liabilities	25	26,726	23,561
Lease liabilities	26	2,610	3,228
Income tax payable	19(a)	185	–
		<b>38,329</b>	<b>35,360</b>
<b>Net current assets</b>		<b>92,860</b>	<b>81,017</b>
<b>Total assets less current liabilities</b>		<b>205,090</b>	<b>119,621</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	19(b)	–	234
Lease liabilities	26	6,830	3,591
Provision for long service payment	24	940	–
		<b>7,770</b>	<b>3,825</b>
<b>NET ASSETS</b>		<b>197,320</b>	<b>115,796</b>
<b>CAPITAL AND RESERVES</b>	27		
Share capital		13,820	12,320
Reserves		183,500	103,476
<b>Equity attributable to owners of the Company</b>		<b>197,320</b>	<b>115,796</b>

The consolidated financial statements on page 79 to 151 were approved and authorised for issue by the Board of Directors on 31 July 2025 and are signed on its behalf by:

**Tsang Wing Ki**  
Director

**Leung Suet Yiu**  
Director

# Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Attributable to owners of the Company						Total HK\$'000
	Share capital	Share premium (Note 27(d))	Merger reserves (Note 27(c))	Legal reserves (Note 27(g))	Translation reserves (Note 27(e))	Retained earnings	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>At 1 April 2023</b>	11,520	71,416	647	49	191	8,133	91,956
Profit for the year	–	–	–	–	–	3,718	3,718
Other comprehensive income:							
Exchange differences on translation of foreign operations	–	–	–	–	202	–	202
Total comprehensive income	–	–	–	–	202	3,718	3,920
Placing of new shares (Note 27(b)(i))	800	19,368	–	–	–	–	20,168
Transaction cost attributable to placing of new shares (Note 27(b)(i))	–	(248)	–	–	–	–	(248)
<b>At 31 March 2024 and 1 April 2024</b>	12,320	90,536	647	49	393	11,851	115,796
Profit for the year	–	–	–	–	–	64,506	64,506
Other comprehensive income:							
Exchange differences on translation of foreign operations	–	–	–	–	18	–	18
Total comprehensive income	–	–	–	–	18	64,506	64,524
Placing of new shares (Note 27(b)(iii))	1,500	16,500	–	–	–	–	18,000
Transaction cost attributable to placing of new shares (Note 27(b)(iii))	–	(1,000)	–	–	–	–	(1,000)
<b>At 31 March 2025</b>	13,820	106,036	647	49	411	76,357	197,320

# Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Note	Year ended 31 March	
		2025 HK\$'000	2024 HK\$'000
<b>Operating activities</b>			
Profit before tax		64,013	3,584
Adjustments for:			
Finance costs		388	417
Interest income		(864)	(1,254)
Depreciation of property, plant and equipment		1,402	1,431
Depreciation of right-of-use assets		3,360	3,091
Share of result of an associate		–	(5,278)
Loss on deemed disposal of an associate		–	11,836
Loss/(gain) on lease termination		29	(46)
Fair value changes on financial asset at FVTPL		(77,700)	(18,307)
Allowance of ECLs for trade and other receivables and contract assets, net		4,012	2,734
<b>Operating cash flows before changes in working capital</b>		(5,360)	(1,792)
Changes in working capital:			
Increase in trade and other receivables		(33,880)	(10,274)
Increase in contract assets		(3,881)	(932)
Increase in trade and other payables		1,181	1,692
Increase/(decrease) in contract liabilities		3,165	(5,310)
<b>Cash used in operations</b>		(38,775)	(16,616)
Income tax refunded/(paid)		1,066	(1,477)
Interest paid		(1)	–
<b>Net cash used in operating activities</b>		(37,710)	(18,093)

# Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Note	Year ended 31 March	
		2025	2024
		HK\$'000	HK\$'000
<b>Investing activities</b>			
Purchase of property, plant and equipment		(401)	(542)
Interest received		864	1,254
<b>Net cash generated from investing activities</b>		<b>463</b>	<b>712</b>
<b>Financing activities</b>			
Repayment of lease liabilities		(3,330)	(2,920)
Interest paid on lease liabilities		(387)	(417)
Proceeds from placing of new shares		18,000	20,168
Transaction cost attributable to placing of new shares		(1,000)	(248)
<b>Net cash generated from financing activities</b>		<b>13,283</b>	<b>16,583</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(23,964)</b>	<b>(798)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>40,323</b>	<b>41,164</b>
<b>Effect of foreign exchange rate changes</b>		<b>(1)</b>	<b>(43)</b>
<b>Cash and cash equivalents at end of the year</b>	23	<b>16,358</b>	<b>40,323</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 1. GENERAL INFORMATION

NIU Holdings Limited (formerly known as “King Of Catering (Global) Holdings Ltd.”) (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 25 August 2017 under the Companies Law, Cap. 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is 9/F., No. 9 Wing Hong Street, Cheung Sha Wan, Kowloon, Hong Kong. In the opinion of the directors of the Company, the ultimate holding company of the Company is Manning Properties Limited (“**Manning Properties**”), a company incorporated in the British Virgin Islands (“**BVI**”), which is controlled by Dr. Chan Yin Nin (“**Dr. Chan**”) and Mr. Kwong Po Lam (“**Mr. Kwong**”).

Pursuant to a special resolution passed on extraordinary general meeting on 16 May 2025, the Registrar of Companies in the Cayman Islands has issued the Certificate of Incorporation on Change of Name on 5 June 2025, the English name of the Company has been changed from “King Of Catering (Global) Holdings Ltd.” to “NIU Holdings Limited” and deleted the Chinese name of the Company “飲食天王 (環球) 控股有限公司”.

The Company is an investment holding company and its shares are listed on GEM of The Hong Kong of Stock Exchange Limited (“**Stock Exchange**”) since 17 September 2018. The principal activities of its subsidiaries are set out in note 29 to the consolidated financial statements.

## 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the Group are disclosed below.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), rounded to the nearest thousand, which is the functional currency of the Company and its subsidiaries carrying on business in Hong Kong. Except for derivative financial assets are measured at fair value, the measurement basis used in the presentation of the consolidated financial statements is the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for good and services.

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

### (a) Application of new and revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

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

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

### (b) New and revised HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and revised HKFRS Accounting Standards and interpretation that have been issued but are not yet effective for the financial year beginning 1 April 2024. The new and revised HKFRS Accounting Standards and interpretation include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 3. ADOPTION OF NEW AND REVISED HKFS ACCOUNTING STANDARDS (CONTINUED)

### (b) New and revised HKFRS Accounting Standards in issue but not yet effective (Continued)

The directors of the Company are in the process of making an assessment of what the impacts of these new/revised HKFRS Accounting Standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for HKFRS 18 – Presentation and Disclosure in Financial Statements which may have impact on the entity's results and/or financial position. Details regarding the impact of HKFRS 18 are set out below.

#### ***HKFRS 18 – Presentation and Disclosure in Financial Statements***

HKFRS 18 will replace HKAS 1 – Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the material accounting policy information below (e.g. certain financial instruments that are measured at fair value).

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

# Notes to the Consolidated Financial Statements

*For the year ended 31 March 2025*

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (b) Foreign currency translation

#### (i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the Company's functional and presentation currency.

#### (ii) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (b) Foreign currency translation (Continued)

#### (iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### (c) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (c) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Furniture and fixtures	20%
Equipment	20 – 33%
Motor vehicle	33%
Leasehold improvement	33%

The useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

### (d) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### *The Group as a lessee*

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (d) Leases (Continued)

#### *The Group as a lessee (Continued)*

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liabilities. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group companies, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (d) Leases (Continued)

#### *The Group as a lessee (Continued)*

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("**lease modification**") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

#### *The Group as a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (e) Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (“**ECLs**”) in accordance with the policy set out in note 4(t) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

### (f) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (f) Recognition and derecognition of financial instruments (Continued)

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, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### (g) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### ***Debt instruments***

Debt instruments held by the Group are classified into amortised cost, if the instrument is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the instrument is calculated using the effective interest method.

#### ***Equity investments***

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (h) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

### (i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks. Cash and cash equivalents are assessed for ECL. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

### (j) Financial liabilities and equity instruments

Financial liabilities is classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policy adopted for equity instruments is set out in note 4(m).

### (k) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

### (l) Equity instruments

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

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (m) Revenue recognition

#### ***Revenue from contracts with customers***

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- 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
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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 and 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.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (m) Revenue recognition (Continued)

#### ***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.

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. 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.

#### ***For comprehensive structural and geotechnical engineering consultancy services – Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation***

##### *Input method*

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. In the opinion of the directors of the Company, the input method faithfully depicts the Group's performance in transferring control of goods or services as there is a direct relationship between the Group's inputs and the transfer of control of the assets created by the Group's services to its customers. The output method is not adopted to measure progress as the outputs used to measure progress are not directly observable and, in the opinion of the directors of the Company, the information required to apply them is not available to the Group without undue cost.

##### ***For installation of IT equipment***

Revenue from installation services is recognised over time according to the progress of the services.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (m) Revenue recognition (Continued)

#### *Revenue from other sources*

Interest income is recognised as it accrues using the effective interest method.

Revenue from provision of equipment rental is recognised in profit or loss in equal instalments over the periods covered by the lease terms.

### (n) Employee benefits

#### *(i) Short term employee benefits*

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the reporting period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

#### *(ii) Retirement benefits*

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss as incurred.

The Group operates a Mandatory Provident Fund Scheme (“**the MPF scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$25,000 prior to June 2014 or HK\$30,000. Employer can make voluntary contributions to employee contribution accounts. Contributions are subject to the governing rules of the MPF scheme. Contributions to the plan vest immediately.

The entity within the Group in the People’s Republic of China (“**PRC**”) participates in PRC local retirement schemes organised by relevant government authorities for its employees in the PRC and contributes to these schemes based on certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities. The government authorities undertake to assume the retirement contribution obligations payable to all existing and future retired employees under these schemes. Contributions to these schemes vest immediately.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (n) Employee benefits (Continued)

#### *(ii) Retirement benefits (Continued)*

The entity within the Group in Macau also participates in a central social security scheme operated by the Macao Special Administrative Region Government. The subsidiary operating in Macau is required to make contributions for its employees who are registered as residents to the central social security scheme. Contributions to this scheme vest immediately.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offsetted as a deemed employee contribution towards the LSP obligation in term of HKAS 19 paragraph 93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

#### *(iii) Termination benefits*

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

### (o) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss 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 the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and 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 deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (o) Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associate, 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.

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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

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



# Notes to the Consolidated Financial Statements

*For the year ended 31 March 2025*

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (p) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### (q) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (r) Impairment of financial assets and contracts assets

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost such as trade and other receivables and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises 12-month ECL for other receivables and lifetime ECL for trade receivables and contract assets. The ECL on these financial assets are estimated using a provision matrix 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 as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

### ***Significant increase in credit risk***

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (r) Impairment of financial assets and contracts assets (Continued)

#### ***Significant increase in credit risk (Continued)***

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

- 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 for a particular financial instrument;
- 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;
- significant increases in credit risk on other financial instruments of the same 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.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset 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.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default,
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (r) Impairment of financial assets and contracts assets (Continued)

#### ***Significant increase in credit risk (Continued)***

The Group considers a financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

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***

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- 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 analysis, 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:

- significant financial difficulty of the issuer or the counterparty;

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (r) Impairment of financial assets and contracts assets (Continued)

#### ***Credit-impaired financial assets (Continued)***

- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

#### ***Write-off policy***

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made 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 as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (r) Impairment of financial assets and contracts assets (Continued)

#### *Measurement and recognition of ECL (Continued)*

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

### (s) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of 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 is remote. Possible obligations, whose existence 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 is remote.

### (t) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 5. CRITICAL ACCOUNTING JUDGEMENTS 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 Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an 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 accounting judgements in applying accounting policies

#### (a) *Significant increase in credit risk*

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

### Key sources of estimation uncertainty

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

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

### Key sources of estimation uncertainty (Continued)

#### (a) *Revenue recognition from contracts with customers*

The Group recognises contract revenue and costs in relation to comprehensive structural and geotechnical engineering consultancy services by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Accordingly, revenue recognition involves a significant degree of judgement, with estimates being made to assess the total contract costs and stage of completion of the contract and to provide appropriately for loss making contracts.

The management estimates the amount of foreseeable losses and stage of completion of contract work in relation to comprehensive structural and geotechnical engineering consultancy services based on the latest available cost budgets of the contracts prepared by project team with reference to the overall performance of each contract work and the management's best estimates and judgements.

Due to the contracting nature of the business, revenue recognition involves a significant degree of judgement. Notwithstanding that the management reviews and revises the estimates of contract costs for the contract of comprehensive architectural services as the contract progresses, the actual outcome of the contract in terms of its total costs may be higher or lower than those estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years.

During the year ended 31 March 2025, approximately HK\$103,474,000 (2024: HK\$100,981,000) of revenue was recognised over time based on the abovementioned input method.

#### (b) *Allowance of ECLs for trade receivables and contract assets*

The management of the Group estimates the amount of lifetime ECL of trade receivables and contract assets based on provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings, ageing and past due status of respective trade receivables and contract assets. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. In addition, trade receivables that are credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in notes 6a, 20 and 22.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

### Key sources of estimation uncertainty (Continued)

#### (b) Allowance of ECLs for trade receivables and contract assets (Continued)

As at 31 March 2025, the carrying amount of trade receivables and contract assets were approximately HK\$48,099,000 and approximately HK\$29,844,000 respectively (net of allowance of approximately HK\$13,067,000 and HK\$1,728,000 respectively) (2024: HK\$36,568,000 and HK\$26,231,000 respectively (net of allowance of HK\$9,335,000 and HK\$1,460,000 respectively)).

#### (c) Fair value of the unlisted equity securities

The fair value of unlisted equity securities that are not traded in an active market is determined by using valuation techniques. The Group use its judgement to select net asset approach and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of the key assumptions used and the impact of changes to these assumptions are disclosed in note 7(c). Changes in assumptions could affect the carrying amount of the fair value.

As at 31 March 2025, the carrying amounts of the Group's unlisted equity securities was approximately HK\$96,831,000 (2024: HK\$26,631,000).

## 6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, price risk, foreign currency risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### (a) Credit risk

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 amounts of the respective recognised financial assets measured at amortised costs and contract assets as stated in the consolidated statement of financial position.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Credit risk (Continued)

#### ***Trade receivables and contract assets arising from contracts with customers***

The Group has no concentration of credit risk from its major customers. For the year ended 31 March 2025, aggregate revenue from the top five customers of the Group accounted for 29.7% (2024: 24.7%) of the total revenue. As at 31 March 2025, amounts due from them amounted to approximately HK\$17,331,000 (2024: HK\$5,801,000), representing 28.3% (2024: 15.9%) of the trade receivables of the Group and contract assets relating to these five customers amounted to approximately HK\$4,482,000 (2024: HK\$1,537,000), representing 14.2% (2024: 5.9%) of the contract assets of the Group. These major customers are mainly construction companies in Hong Kong with good reputation.

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. Scoring attributed to customers are reviewed once a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balance or based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

#### ***Bank balances***

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

#### ***Other receivables***

The Group has considered that credit risk on other receivables has not increased significantly since initial recognition and has assessed the ECL rate under 12-month ECL method based on the Group's assessment in the risk of default of the respective counterparties.

The following tables provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets, as at 31 March 2025 and 2024:

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Credit risk (Continued)

#### Trade receivables

	Average expected loss rate %	At 31 March 2025		Net carrying amount HK\$'000
		Gross carrying amount HK\$'000	Loss allowance HK\$'000	
Less than 60 days past due	5.86%	24,537	1,437	23,100
Over 60 days and within 90 days past due	9.33%	9,929	926	9,003
Over 90 days and within 180 days past due	10.72%	5,661	607	5,054
Over 180 days and within 270 days past due	15.34%	4,421	678	3,743
More than 270 days past due	56.68%	16,618	9,419	7,199
		<u>61,166</u>	<u>13,067</u>	<u>48,099</u>

	Average expected loss rate %	At 31 March 2024		Net carrying amount HK\$'000
		Gross carrying amount HK\$'000	Loss allowance HK\$'000	
Less than 60 days past due	5.89%	19,259	1,134	18,125
Over 60 days and within 90 days past due	9.23%	3,436	317	3,119
Over 90 days and within 180 days past due	11.98%	7,895	946	6,949
Over 180 days and within 270 days past due	15.47%	3,930	608	3,322
More than 270 days past due	55.61%	11,383	6,330	5,053
		<u>45,903</u>	<u>9,335</u>	<u>36,568</u>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Credit risk (Continued)

#### *Contract assets*

	At 31 March 2025			
	Weighted average expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000
Current (not past due)	5.47%	31,572	1,728	29,844

	At 31 March 2024			
	Weighted average expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000
Current (not past due)	5.27%	27,691	1,460	26,231

Expected loss rates are based on actual loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Credit risk (Continued)

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

	Lifetime ECL (not credit-impaired) HK\$'000	Lifetime ECL (credit-impaired) HK\$'000	Total HK\$'000
<b>At 1 April 2023</b>	786	5,999	6,785
Reversal of ECLs	–	(2,307)	(2,307)
Allowance of ECLs	4,857	–	4,857
<b>At 31 March 2024 and 1 April 2024</b>	5,643	3,692	9,335
Transfer	(748)	748	–
Reversal of ECLs	(3,656)	(1,570)	(5,226)
Allowance of ECLs	7,163	1,795	8,958
<b>At 31 March 2025</b>	8,402	4,665	13,067

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

	Lifetime ECL (not credit-impaired) HK\$'000
<b>At 1 April 2023</b>	1,278
Allowance of ECLs	182
<b>At 31 March 2024 and 1 April 2024</b>	1,460
Allowance of ECLs	268
<b>At 31 March 2025</b>	1,728

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Credit risk (Continued)

#### Other receivables

	Average expected loss rate %	At 31 March 2025		Net carrying amount HK\$'000
		Gross Carrying amount HK\$'000	Loss allowance HK\$'000	
Current (not past due)	0.05%	38,406	18	38,388

	Average expected loss rate %	At 31 March 2024		Net carrying amount HK\$'000
		Gross Carrying amount HK\$'000	Loss allowance HK\$'000	
Current (not past due)	0.05%	12,195	6	12,189

The following table shows the movement of 12-month ECL that has been recognised for other receivables under the general approach:

	12-month ECL HK\$'000
<b>At 1 April 2023</b>	4
Allowance of ECLs	2
<b>At 31 March 2024 and 1 April 2024</b>	6
Allowance of ECLs	12
<b>At 31 March 2025</b>	18

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the senior management when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants (if any), 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 longer term.

The contractual undiscounted cash flows of trade and other payables are required to be settled within one year or on demand, and the total contractual undiscounted cash flows of these financial liabilities are not materially different from their carrying amounts at 31 March 2025 and 2024.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating based on rates current at the reporting date) and the earliest date the Group can be required to pay:

	Weighted average effective interest rate %	Within one year or on demand HK\$'000	More than one year but less than two years HK\$'000	More than two years but less than five years HK\$'000	Total contractual undiscounted amount HK\$'000	Carrying amount HK\$'000
<b>At 31 March 2025</b>						
Trade and other payables	–	6,980	–	–	6,980	6,980
Lease liabilities	4.30-5.89%	3,040	2,463	4,925	10,428	9,440
		<u>10,020</u>	<u>2,463</u>	<u>4,925</u>	<u>17,408</u>	<u>16,420</u>
<b>At 31 March 2024</b>						
Trade and other payables	–	5,939	–	–	5,939	5,939
Lease liabilities	4.30-5.88%	3,512	2,491	1,327	7,330	6,819
		<u>9,451</u>	<u>2,491</u>	<u>1,327</u>	<u>13,269</u>	<u>12,758</u>

### (c) Price risk

The Group is exposed to equity price risk arising from equity investments classified as financial assets at FVTPL. The Group's equity price risk is mainly concentrated on unlisted equity securities.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Price risk (Continued)

If equity prices had been 10% higher/lower (2024: 10% higher/lower):

- profit after tax for the year ended 31 March 2025 would increase/decrease by HK\$9,257,000 (2024: increase/decrease by HK\$2,663,000). This is mainly due to the changes in fair value of held-for-trading investments.

### (d) Foreign currency risk

For presentation purpose, the Group's consolidated financial statements is shown in Hong Kong dollars ("HK\$"), rounded to the nearest thousand, which is the functional currency of the Company and its subsidiaries carrying on business in Hong Kong. As at 31 March 2025 and 2024, all entities within the Group have no material financial instruments that were denominated in a currency other than the functional currency in which they measured. As a result, no material foreign currency exchange risk is expected.

### (e) Interest rate risk

The Group's lease liabilities bear interest at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to variable interest-rate risk arises from its bank deposits. However, the risk is considered insignificant to Group's result of operation in 2025 and 2024. Accordingly, no sensitivity analysis is presented.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (f) Financial instruments by categories

	At 31 March	
	2025	2024
	HK\$'000	HK\$'000
<b>Financial assets</b>		
Financial assets at amortised cost	98,001	88,314
Financial assets at FVTPL	96,831	26,631
Total financial assets	194,832	114,945
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	6,980	5,939

### (g) Fair values of financial instruments carried at other than fair value

Except as disclosed in note 7 to the consolidated financial statements, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position that approximate their respective fair value.

## 7. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 7. FAIR VALUE MEASUREMENT (CONTINUED)

### (a) Disclosure of level in fair value hierarchy

Description	Fair value measurements using:			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
As 31 March 2025				
Recurring fair value measurement				
Financial asset at FVTPL				
Unlisted equity securities	–	96,831	–	96,831
As 31 March 2024				
Recurring fair value measurement				
Financial asset at FVTPL				
Unlisted equity securities	–	–	26,631	26,631

During the year ended 31 March 2025, equity investment amounting to HK\$26,631,000 were reclassified from Level 3 to Level 2 measurements. This transfer resulted from the underlying financial asset, previously comprising an unlisted equity interest, becoming listed on the NASDAQ on 17 April 2024, thereby making observable market inputs available.

During the year ended 31 March 2024, there were no transfers between level 1 and level 2 or transfer out of level 3.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 7. FAIR VALUE MEASUREMENT (CONTINUED)

### (b) Reconciliation of assets measured at fair value based on level 3:

	Derivative financial assets HK\$'000	Equity investment HK\$'000	Total HK\$'000
At 1 April 2023	39	–	39
Transfer from investment in an associate ( <i>Note 18</i> )	–	8,285	8,285
Change in fair value recognised in profit or loss	(39)	18,346	18,307
At 31 March 2024	–	26,631	26,631
At 1 April 2024	–	26,631	26,631
Transfer out of level 3	–	(26,631)	(26,631)
At 31 March 2025	–	–	–

The total gains recognised in profit or loss included gains of approximately HK\$89,490,000 (2024: HK\$18,307,000) related to assets held at the end of the reporting period are presented in the fair value changes on financial asset at FVTPL in the consolidated statement of profit or loss and other comprehensive income.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 7. FAIR VALUE MEASUREMENT (CONTINUED)

### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 March 2025 and 2024

Financial instruments in level 2	Valuation technique	Inputs	Fair value	
			2025	2024
			HK\$'000	HK\$'000
Financial asset at FVTPL				
Unlisted equity securities (Note 21)	Net asset approach	Quoted market prices of underlying investment	96,831	–

Financial instruments in level 3	Valuation technique	Significant unobservable input	Effect on Fair value for increase of inputs	Range	Fair value  2024 HK\$'000
Financial asset at FVTPL					
Unlisted equity securities (Note 21)	Discounted cash flow method	Discount lack of control and lack of marketability	Decrease	11.4%	26,631
		Weighted average cost of capital	Decrease	12.3%	

The discount for lack of marketability represents the amounts of discounts determined by the Group that market participants would take into account when pricing the investments to reflect the difficulty or inability to quickly sell or trade the asset in an active market.

The Group's financial manager is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

The Group's financial assets in level 3 of the fair value hierarchy were valued at 31 March 2024 by an independent and qualified professional valuer not connected to the Group. The valuer holds a recognised and relevant professional qualification and have experience in valuing similar financial assets.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 8. REVENUE AND SEGMENT INFORMATION

### (a) Revenue

The principal activities of the Group are provision of (i) comprehensive structural and geotechnical engineering consultancy services; and (ii) equipment rental services in Hong Kong; and (iii) provision of installation services for IT equipment.

### (i) Disaggregation of revenue

Disaggregation of revenue by services lines is as follows:

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
<b>Revenue from contracts with customers within the scope of HKFRS 15:</b>		
Disaggregated by major service lines		
– Construction of new properties	89,316	79,593
– Refurbishment/maintenance of existing properties	7,369	9,693
– Others	7,589	11,695
	<b>104,274</b>	<b>100,981</b>
	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Timing of revenue recognition:		
– Over time	<b>104,274</b>	<b>100,981</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (a) Revenue (Continued)

#### (i) Disaggregation of revenue (Continued)

Revenue mainly represents the contract revenue from provision of comprehensive structural and geotechnical engineering consultancy services recognised over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these services based on the stage of completion of contract using input method during the year.

Others represent revenue from the provision of installation services for IT equipment, expert witness services and other minor works services. These revenues are recognised over time during the years ended 31 March 2025 and 2024.

#### (ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 March 2025, the aggregate amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is approximately HK\$125,010,000 (2024: HK\$107,105,000). This amount represents revenue expected to be recognised in the future from contracts for provision of engineering services entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is carried out. The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2025 are as follows:

	At 31 March	
	2025	2024
	HK\$'000	HK\$'000
Expected to be recognised within 1 year	63,331	57,981
Expected to be recognised between 1-2 years	34,877	29,961
Expected to be recognised after 2 years	26,802	19,163
	<u>125,010</u>	<u>107,105</u>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (b) Segment reporting

Information reported to the Chief Executive of the Company, being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services rendered.

During the year ended 31 March 2025, the Group commenced the business engaging in the provision of installation services for IT equipment in Hong Kong. Since the revenue from the provision of equipment rental service and provision of installation services for IT equipment are below the quantitative threshold for determining a reportable segment and have the similar economic characteristic, it is not considered as a new operating and reportable segment by the CODM. Therefore, during the years ended 31 March 2025 and 2024, the Group operates in one single operating and reporting segment which is comprehensive structural and geotechnical engineering consultancy services. For the purpose of resources allocation and performance assessment, the CODM review the overall results and financial position of the Group as a whole prepared in accordance with accounting policies which conform to HKFRS Accounting Standards. Since this is the only operating segment of the Group, only entity-wide disclosure for geographical information and major customers are presented.

### Geographical information

The following table sets out information about (i) the Group’s revenue from external customers based on the geographical location of the operations of the Group; and (ii) the Group’s non-current assets other than rental deposits, financial asset at FVTPL and deferred tax assets is based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong	104,274	99,849	11,141	9,038
Mainland China	–	–	515	950
Macau	–	1,132	–	–
	<u>104,274</u>	<u>100,981</u>	<u>11,656</u>	<u>9,988</u>

### Information about major customers

During the years ended 31 March 2025 and 2024, no external customers individually contributing 10% or more of the Group’s total revenue.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 9. OTHER INCOME AND OTHER GAINS/(LOSSES) – NET

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
<b>Other income:</b>		
Bad debts recovery	25	–
Interest income	864	1,254
Sundry income	521	652
<b>Total other income</b>	<b>1,410</b>	<b>1,906</b>
<b>Other (losses)/gains – net:</b>		
Exchange loss, net	(62)	(262)
(Loss)/gain on lease termination	(29)	46
<b>Total other losses – net</b>	<b>(91)</b>	<b>(216)</b>
<b>Total other income and other gains – net</b>	<b>1,319</b>	<b>1,690</b>

## 10. FINANCE COSTS

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Interest on bank overdraft	1	–
Interest on lease liabilities	387	417
	<b>388</b>	<b>417</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 11. PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
<b>(a) Staff costs</b>		
Directors' remuneration ( <i>Note 13(a)</i> )	18,890	21,806
Salaries, wages and other benefits, excluding those of directors	54,266	54,242
Contributions to defined contribution retirement plan, excluding those of directors	2,350	2,167
Total staff costs	75,506	78,215
Less: Amount included in general and administrative expenses	(11,413)	(19,095)
Total staff costs included in cost of services	64,093	59,120
<b>(b) Other items</b>		
Auditor's remuneration	730	720
Depreciation of property, plant and equipment	1,402	1,431
Depreciation of right-of-use assets	3,360	3,091
Research and development expense	—	500

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 12. INCOME TAX CREDIT

- (a) Income tax credit in the consolidated statement of profit or loss and other comprehensive income represents:

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
<b>Current tax</b>		
Hong Kong Profits Tax:		
– Provision for the year	185	–
<b>Deferred tax credit</b>	(678)	(134)
	<b>(493)</b>	<b>(134)</b>

Under the two-tiered Profits Tax Regime, one of the Company's Hong Kong subsidiaries is subjected to Hong Kong Profits Tax at the rate of 8.25% for the first HK\$2 million of its estimated assessable profits and at 16.5% on its estimated assessable profits above HK\$2 million. Other Hong Kong subsidiaries not qualifying for the two-tiered Profit Tax Regime are subjected to Hong Kong Profits Tax at the rate of 16.5% for the year ended 31 December 2025.

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year ended 31 March 2024. Tax for overseas subsidiaries is charged at the appropriate current rates of taxation based on the rules and regulations in the relevant tax jurisdictions.

Enterprise Income Tax (“EIT”) in Mainland China has been provided at the rate of 25% (2024: 25%) on the estimated assessable profits arose in Mainland China during the year except as described below. Certain subsidiaries of the Company satisfied the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises. For a small low-profit enterprise, the portion of annual taxable income up to RMB1,000,000 is calculated at 25% of that income and taxed at a 20% EIT rate. The portion of annual taxable income exceeding RMB1,000,000 but not exceeding RMB3,000,000 is calculated at 50% of that income and also taxed at a 20% EIT rate. Any taxable income above RMB3,000,000 is fully taxable at 100% and subject to the standard 25% EIT rate.

No provision of Macau Complementary Tax has been made for the years ended 31 March 2025 and 2024 since the Group's Macau subsidiary has no assessable profit for the years.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 12. INCOME TAX CREDIT (CONTINUED)

(b) Reconciliation between income tax credit and accounting profit before tax at applicable tax rates:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Profit before tax	64,013	3,584
Notional tax on profit/(loss) before taxation, calculated at the tax rates applicable to the respective tax jurisdictions	(1,339)	(1,152)
Tax effect of non-deductible expenses	1,261	1,134
Tax effect of non-taxable income	(150)	(267)
Tax effect of deduction for research and development expenditure	–	(50)
Tax effect of tax losses not recognised	89	201
Tax effect of temporary different not recognised	9	–
Tax effect of concessionary tax rate	(124)	–
Tax effect of utilisation of tax losses not previously recognised	(236)	–
Effect of tax reduction in Hong Kong Profits Tax	(3)	–
Income tax credit	(493)	(134)

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 13. DIRECTORS' REMUNERATION

### (a) Directors' emoluments

The remuneration of directors, including Chief Executive of the Company, for the year is set out below:

	Directors' fees HK\$'000	Salaries, allowances and benefits HK\$'000	Discretionary bonus HK\$'000	Contributions to defined contribution retirement plan HK\$'000	Total HK\$'000
Year ended 31 March 2025					
<b>Executive directors</b>					
Dr. Chan Yin Nin (note (iii))	–	5,158	6,000	19	11,177
Mr. Kwong Po Lam (note (iv))	–	3,224	2,800	19	6,043
Mr. Leung Chun Yu Edmund (note (v))	240	–	–	–	240
Mr. Man Kwok Hing (note (vi))	180	–	–	–	180
Mr. Kazuya Yangihara (note (vi))	180	–	–	–	180
Mr. Tsang Wing Ki (Managing Director) (note (vii))	240	–	–	–	240
Ms. Leung Suet Yiu (note (vi))	180	–	–	–	180
<b>Non-executive directors</b>					
Mr. Fukumitsu Hirokazu (note (viii) and (ix))	120	–	–	–	120
Mr. Takeda Masahiro (note (viii))	120	–	–	–	120
<b>Independent non-executive directors</b>					
Mr. Choy Wai Shek, Raymond, MH, JP (note (x))	90	–	–	–	90
Mr. Hidaka Masakage (note (xi))	80	–	–	–	80
Mr. Leung Man Chun (note (xii))	–	–	–	–	–
Mr. Sze Kyran, MH (note (x))	90	–	–	–	90
Ms. Lung Wing Yee (note (xiii))	30	–	–	–	30
Ms. Siu Yuk Ming	120	–	–	–	120
	<u>1,670</u>	<u>8,382</u>	<u>8,800</u>	<u>38</u>	<u>18,890</u>
Year ended 31 March 2024					
<b>Executive directors</b>					
Dr. Chan Yin Nin (note (iii))	–	4,245	9,479	19	13,743
Mr. Kwong Po Lam (Note (iv))	–	2,788	4,423	19	7,230
Mr. Man Kwok Hing (note (vi))	180	–	–	9	189
Mr. Kazuya Yanagihara (Note (vi))	90	–	–	5	95
Ms. Leung Suet Yiu (note (vi))	180	–	–	9	189
<b>Independent non-executive directors</b>					
Mr. Choy Wai Shek, Raymond, MH, JP (note (x))	120	–	–	–	120
Mr. Sze Kyran, MH (note (x))	120	–	–	–	120
Ms. Siu Yuk Ming	120	–	–	–	120
	<u>810</u>	<u>7,033</u>	<u>13,902</u>	<u>61</u>	<u>21,806</u>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 13. DIRECTORS' REMUNERATION (CONTINUED)

### (a) Directors' emoluments (Continued)

Notes:

- (i) No director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2024: nil).
- (ii) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.
- (iii) Dr. Chan Yin Nin resigned as executive director of the Company with effect from 1 April 2025.
- (iv) Mr. Kwong Po Lam is the managing director of the Company and is regarded as the Chief Executive of the Company. His remuneration disclosed above includes the services rendered as the Chief Executive. He resigned as executive director of the Company with effect from 5 November 2024.
- (v) Mr. Leung Chun Yu Edmund was appointed as executive director of the Company with effect from 23 August 2024.
- (vi) Mr. Man Kwok Hing, Mr. Kazuya Yangihara and Ms. Leung Suet Yiu resigned as executive director of the Company with effect from 31 March 2025.
- (vii) Mr. Tsang Wing Ki was appointed as executive director of the Company with effect from 3 April 2024.
- (viii) Mr. Fukumitsu Hirokazu and Mr. Takeda Masahiro were appointed as non-executive director of the Company with effect from 3 April 2024.
- (ix) Mr. Fukumitsu Hirokazu resigned as non-executive director of the Company with effect from 31 March 2025.
- (x) Mr. Choy Wai Shek, Raymond and Mr. Sze Kyran resigned as independent non-executive director of the Company with effect from 23 December 2024.
- (xi) Mr. Hidaka Masakage was appointed and resigned as independent non-executive director of the Company with effect from 12 August 2024 and 31 March 2025 respectively.
- (xii) Mr. Leung Man Chun was appointed as independent non-executive director of the Company with effect from 31 March 2025.
- (xiii) Ms. Lung Wing Yee was appointed as independent non-executive director of the Company with effect from 23 December 2024.
- (xiv) The discretionary bonus was determined by reference to the individual performance of the directors and was approved by the remuneration committee of the Company.
- (xv) There was no arrangement under which a director waived or agreed to waive any emoluments during the year (2024: Nil).

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 13. DIRECTORS' REMUNERATION (CONTINUED)

### (b) Directors' material interests in transactions, arrangements or contracts

Save for disclosed in Note 33 to the consolidated financial statements, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### (c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year ended 31 March 2025 (2024: Nil).

### (d) Consideration provided to third parties for making available directors' services

The Group did not pay consideration to any third parties for making available directors' services during the year ended 31 March 2025 (2024: Nil).

## 14. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group for the year, 2 (2024: 2) are directors of the Company whose emoluments are disclosed in note 13(a). The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	3,331	3,242
Discretionary bonus ( <i>note</i> )	83	348
Contributions to defined contribution retirement plan	36	54
	<u>3,450</u>	<u>3,644</u>

*Note:* Discretionary bonus was determined by the directors of the Company by reference to the individual performance and contribution to the Group.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 14. INDIVIDUALS WITH HIGHEST EMOLUMENTS (CONTINUED)

The emoluments of the above 3 (2024: 3) individuals with the highest emoluments are within the following bands:

	Year ended 31 March	
	2025	2024
	Number of individuals	Number of individuals
HK\$1,000,001 to HK\$1,500,000	3	3

No emoluments were paid or payable by the Group to these employees as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 March 2025 (2024: nil).

## 15. EARNINGS PER SHARE

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

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000 (Restated)
Profit for the year attributable to owners of the Company	64,506	3,718
Number of shares:		
Weighted average number of ordinary shares in issue ('000)	135,816	116,511
Basic and diluted earnings per share (HK cents)	47.50	3.19

The calculation of basic earnings per share is based on the profit for the year attributable of owners of the Company and weighted average number of shares in issue. The weighted average number of ordinary shares for current and prior years have been adjusted retrospectively to reflect the effect of the share consolidation that took effect on 9 June 2025.

Diluted earnings per share for both years were the same as basic earnings per share as there were no potential ordinary shares outstanding.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 16. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures HK\$'000	Equipment HK\$'000	Motor vehicle HK\$'000	Leasehold improvement HK\$'000	Total HK\$'000
<b>Cost</b>					
At 1 April 2023	2,501	5,494	880	–	8,875
Additions	66	353	–	123	542
Exchange adjustment	(32)	(10)	–	–	(42)
At 31 March 2024	2,535	5,837	880	123	9,375
At 1 April 2024	2,535	5,837	880	123	9,375
Additions	14	387	–	–	401
Exchange adjustment	(3)	(2)	–	(1)	(6)
At 31 March 2025	2,546	6,222	880	122	9,770
<b>Accumulated depreciation</b>					
At 1 April 2023	1,854	2,173	367	–	4,394
Charge for the year	151	953	293	34	1,431
Exchange adjustment	(32)	(10)	–	–	(42)
At 31 March 2024	1,973	3,116	660	34	5,783
At 1 April 2024	1,973	3,116	660	34	5,783
Charge for the year	178	963	220	41	1,402
Exchange adjustment	(3)	(2)	–	–	(5)
At 31 March 2025	2,148	4,077	880	75	7,180
<b>Net carrying value</b>					
At 31 March 2025	398	2,145	–	47	2,590
At 31 March 2024	562	2,721	220	89	3,592



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 17. RIGHT-OF-USE ASSETS

	Office premises HK\$'000	Office equipments HK\$'000	Total HK\$'000
<b>Cost</b>			
At 1 April 2023	16,549	1,843	18,392
Additions	–	2,049	2,049
Termination	–	(1,843)	(1,843)
Exchange adjustment	(104)	–	(104)
At 31 March 2024	16,445	2,049	18,494
At 1 April 2024	16,445	2,049	18,494
Additions	799	1,799	2,598
Modification	5,360	–	5,360
Termination	(799)	(1,842)	(2,641)
Exchange adjustment	(10)	–	(10)
At 31 March 2025	21,795	2,006	23,801
<b>Accumulated depreciation</b>			
At 1 April 2023	9,353	31	9,384
Charge for the year	2,702	389	3,091
Termination	–	(338)	(338)
Exchange adjustment	(39)	–	(39)
At 31 March 2024	12,016	82	12,098
At 1 April 2024	12,016	82	12,098
Charge for the year	2,951	409	3,360
Termination	(317)	(399)	(716)
Exchange adjustment	(7)	–	(7)
At 31 March 2025	14,643	92	14,735
<b>Net carrying value</b>			
At 31 March 2025	7,152	1,914	9,066
At 31 March 2024	4,429	1,967	6,396

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 17. RIGHT-OF-USE ASSETS (CONTINUED)

Lease liabilities of approximately HK\$9,440,000 (2024: HK\$6,819,000) are recognised with related right-of-use assets of approximately HK\$9,066,000 (2024: HK\$6,396,000) as at 31 March 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Depreciation expenses on right-of-use assets	3,360	3,091
Interest expense on lease liabilities (included in finance costs)	387	417

## 18. INVESTMENT IN AN ASSOCIATE

### Loss on deemed disposal

In the prior year, the Group held a 19.83% equity interest in OPS Holdings Limited (“OPS”), which was accounted for as an investment in an associate. On 21 July 2023, the call option to acquire an additional 660 shares of OPS expired. As a result, the Group lost significant influence over OPS. Consequently, this event has been treated as a deemed disposal of investment in an associate. The remaining equity interest in OPS has been reclassified as a financial asset measured at FVTPL (Note 21).

The share of result from the associate amounting to approximately HK\$5,278,000 during the period up to the date of deemed disposal, was included in the carrying amount of the associate immediately before the deemed disposal.

The deemed disposal resulted in a loss of approximately HK\$11,836,000, which was recognised in profit or loss during the year ended 31 March 2024.

	HK\$'000
Carrying amount as at 1 April 2023	14,843
Share of profit of an associate	5,278
Carrying amount as at 21 July 2023	20,121
Less:	
Fair value of equity interest in OPS as at 21 July 2023 reclassified as financial asset at FVTPL (Note 7(b))	(8,285)
Loss on deemed disposal	11,836

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 19. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### (a) Current tax

Movement of income tax payable/(tax recoverable) in the consolidated statement of financial position is as follows:

	2025 HK\$'000	2024 HK\$'000
Tax (recoverable)/payable at 1 April	(1,066)	411
Provision for Hong Kong Profits Tax for the year	185	–
Income tax refunded/(paid)	1,066	(1,477)
Tax payable/(recoverable) at 31 March	185	(1,066)

### (b) Deferred tax

Deferred tax assets and liabilities recognised in the consolidated statement of financial position are as follows:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets recognised in the consolidated statement of financial position	1,500	1,056
Deferred tax liabilities recognised in the consolidated statement of financial position	–	(234)
	1,500	822

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 19. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

### (b) Deferred tax (Continued)

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets arising from:	ECL Provision HK\$'000	Depreciation in excess of related depreciation allowance HK\$'000	Total HK\$'000
At 1 April 2023	1,028	13	1,041
Credited to profit or loss	13	2	15
At 31 March 2024 and 1 April 2024	1,041	15	1,056
Credited/(debited) to profit or loss	452	(8)	444
At 31 March 2025	1,493	7	1,500

Deferred tax liabilities arising from:	Depreciation allowance in excess of related depreciation allowance HK\$'000
At 1 April 2023	353
Credited to profit or loss	(119)
At 31 March 2024 and 1 April 2024	234
Credited to profit or loss	(234)
At 31 March 2025	—

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 19. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

### (b) Deferred tax (Continued)

At 31 March 2025, the Group has unused tax losses of approximately HK\$7,960,000 (2024: HK\$7,934,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$6,064,000 (2024: HK\$4,310,000) that will expire in five years. Other tax losses may be carried forward indefinitely.

## 20. TRADE AND OTHER RECEIVABLES

	At 31 March	
	2025	2024
	HK\$'000	HK\$'000
Trade receivables	61,166	45,903
Less: Allowance for ECL	(13,067)	(9,335)
Trade receivables, net of allowance for ECL	48,099	36,568
Deposits, prepayments and other receivables	38,406	12,195
Less: Allowance for ECL	(18)	(6)
Deposits, prepayments and other receivables, net of allowance for ECL	38,388	12,189
Total trade and other receivables	86,487	48,757
Less: non-current portion		
– Prepayments	(1,500)	–
	84,987	48,757

As at 31 March 2025, the gross carrying amounts of trade receivables from contracts with customers amounted to approximately HK\$61,166,000 (2024: HK\$45,903,000).

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 20. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following is an ageing analysis of the trade receivables presented based on invoice dates at the end of the reporting period, net of allowance for credit losses recognised:

	At 31 March	
	2025	2024
	HK\$'000	HK\$'000
Within 30 days	12,950	12,940
Over 30 days and within 90 days	11,221	8,304
Over 90 days and within 180 days	13,994	6,949
Over 180 days	9,934	8,375
	<u>48,099</u>	<u>36,568</u>

The management of the Group closely monitors the credit quality of trade receivables. Before accepting any new customer, the Group's management will assess the potential customer's credit quality and determine the credit limits of each customer. Credit limits attributable to customers are reviewed periodically. The credit terms of the Group granted to customers generally range from 0 to 60 days.

The Group has a policy for allowance of ECL which is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement including the creditworthiness and the past collection history of each customer.

Details of impairment assessment of trade receivables are set out in note 6(a).

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2025	
	2025	2024
	HK\$'000	HK\$'000
HK\$	86,186	48,317
Macau Pataca ("MOP")	202	341
Renminbi ("RMB")	99	99
	<u>86,487</u>	<u>48,757</u>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 21. FINANCIAL ASSET AT FVTPL

	At 31 March	
	2025	2024
	HK\$'000	HK\$'000
Unlisted equity securities	96,831	26,631

The financial asset at FVTPL is denominated in HK\$.

As at 31 March 2025 and 2024, the Group's unlisted investment represented equity interest in OPS.

## 22. CONTRACT ASSETS

	At 31 March	
	2025	2024
	HK\$'000	HK\$'000
Arising from performance under construction contracts	31,572	27,691
Less: Allowance for ECL	(1,728)	(1,460)
	29,844	26,231

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Transfer of contract assets at the beginning of the year		
to receivables during the year	10,948	11,597

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group's comprehensive structural and geotechnical engineering consultancy services contracts include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits which range from 5% to 50% of total contract sum as part of its credit risk management policies and recognise as contract liabilities. The Group determines the amount of deposit depending on the nature and scope of works. The subsequent milestones is generally according to a progressive payment on contract.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 22. CONTRACT ASSETS (CONTINUED)

The increase (2024: increase) in contract assets in 2025 was mainly due to the higher (2024: higher) in number of contract works completed for which the related services had been delivered but invoices had not yet been issued to customers at the end of the reporting period.

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

Disclosure requirement relating to ECL is set out in Note 6(a).

## 23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	At 31 March	
	2025	2024
	HK\$'000	HK\$'000
Cash and cash equivalent in the consolidated statement of financial position:		
– Cash at banks and on hand	16,358	40,323

As at 31 March 2025, the cash and bank balances of the Group denominated in RMB amounted to approximately HK\$75,000 (2024: HK\$69,000). Conversion of RMB into foreign currencies is subjected to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

## 24. TRADE AND OTHER PAYABLES

	At 31 March	
	2025	2024
	HK\$'000	HK\$'000
Trade payables	1,171	1,495
Provision for annual leave and long service payment ( <i>note</i> )	2,768	2,632
Accrued expenses and other payables	5,809	4,444
Total trade and other payables	9,748	8,571
Less: non-current portion		
– Provision for long service payment	(940)	–
	8,808	8,571



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 24. TRADE AND OTHER PAYABLES (CONTINUED)

*Note:*

The movements of provision for annual leave and long service payment during the year are as follows:

	Annual leave HK\$'000	Long service payment HK\$'000	Total HK\$'000
At 1 April 2024	1,828	804	2,632
Addition provisions	—	136	136
At 31 March 2025	1,828	940	2,768

The provision for annual leave represents employee entitlements to annual leave. A provision is made for the estimated liability for unused annual leave as a result of services rendered by employees up to the end of the reporting period.

The provision for long service payment represents the obligation to pay long service payment under Hong Kong Employment Ordinance (Chapter 57).

The ageing analysis of the Group's trade payables based on invoice dates is as follows:

	At 31 March 2025 HK\$'000	2024 HK\$'000
Within 30 days	486	547
31 – 60 days	282	401
61 – 90 days	3	251
Over 90 days	400	296
	1,171	1,495

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 24. TRADE AND OTHER PAYABLES (CONTINUED)

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
HK\$	9,129	7,934
MOP	20	25
RMB	599	612
	<u>9,748</u>	<u>8,571</u>

Accrued expenses and other payables comprised mainly the accrued expenses of staff salaries and staff welfare (including staff's accrued bonus, overtime claims and travelling allowances), auditor's remuneration and office expenses.

## 25. CONTRACT LIABILITIES

	At 31 March 2025 HK\$'000	2024 HK\$'000
Arising from performance under construction contracts	<u>26,726</u>	<u>23,561</u>

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities.

Movement in the contract liabilities balance during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	23,561	28,871
Decrease in contract liabilities as a result of revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year	(10,729)	(19,596)
Increase on contract liabilities as a result of receipts in advance from customers	<u>13,894</u>	<u>14,286</u>
At the end of the year	<u>26,726</u>	<u>23,561</u>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 25. CONTRACT LIABILITIES (CONTINUED)

The increase (2024: decrease) in contract liabilities in 2025 was mainly due to the increase (2024: decrease) in advances received from customers in relation to the performance under construction at the end of the reporting period.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

When the Group receives a deposit before the service commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit. The Group typically receives a 5%–50% deposit from certain customers before the commencement of services commences.

## 26. LEASE LIABILITIES

The following tables shows the remaining contractual maturities of the Group's lease liabilities as at 31 March 2025 and 2024:

	2025		2024	
	Present value of the minimum lease payment HK\$'000	The minimum lease payment HK\$'000	Present value of the minimum lease payment HK\$'000	The minimum lease payment HK\$'000
Within 1 year	2,610	3,040	3,228	3,512
After 1 year but within 2 years	2,158	2,463	2,370	2,491
Over 2 years	4,672	4,925	1,221	1,327
	<u>9,440</u>	<u>10,428</u>	<u>6,819</u>	<u>7,330</u>
Less: total future interest expenses		(988)		(511)
Total lease liabilities		9,440		6,819
Less: non-current portion		(6,830)		(3,591)
Current portion		<u>2,610</u>		<u>3,228</u>

Note:

The Group leased the office premises and office equipments as disclosed in Note 17 to operate for office uses. The lease terms were 2-5 years (2024: 2-5 years). During the year ended 31 March 2024, the Group early terminated the leases for office premises and office equipments and subsequently entered into new leases for office equipments. The lease liabilities were measured at the present value of the lease payments that are not yet paid. During the year ended 31 March 2025, the Group entered into a lease contract to extend the lease period. A lease modification to the right-of-use assets and lease liabilities amounting to approximately HK\$5,360,000 was recognised. The Group also early terminated leases for office premises and office equipment and resulting in a loss on termination of approximately HK\$73,000 and gain on termination of approximately HK\$44,000 respectively.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 26. LEASE LIABILITIES (CONTINUED)

*Note:* (Continued)

For the year ended 31 March 2025, the total cash outflow for leases including repayment of lease liabilities and payment of interest expenses are approximately HK\$3,717,000 (2024: HK\$3,337,000). The payment of interest expenses amounting to approximately HK\$387,000 (2024: HK\$417,000) was classified as financing cash flows.

The weighted average incremental borrowing rate applied to lease liabilities range from 4.30% to 5.88% (2024: 4.30% to 5.88%).

Lease liabilities are denominated in HK\$ and Renminbi ("RMB") of approximately HK\$8,721,000 and HK\$405,000 (2024: HK\$6,034,000 and HK\$785,000) respectively.

## 27. CAPITAL AND RESERVES

### (a) Movement in component of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

### (b) Share capital

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
<b>Authorised:</b>		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	1,500,000,000	15,000
<b>Issued and fully paid:</b>		
At 1 April 2023	1,152,000,000	11,520
Placing of new share on 31 January 2024 ( <i>note (i)</i> )	80,000,000	800
At 31 March 2024 and 1 April 2024	1,232,000,000	12,320
Placing of new share on 29 May 2024 ( <i>note (ii)</i> )	150,000,000	1,500
At 31 March 2025	1,382,000,000	13,820

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 27. CAPITAL AND RESERVES (CONTINUED)

### (b) Share capital (Continued)

*Note:*

- (i) On 2 January 2024, the Company and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place a maximum of 80,000,000 placing shares to independent investors at a price of HK\$0.2521 per share. The placing was completed on 31 January 2024 pursuant to which the Company has allotted and issued 80,000,000 placing shares. The net proceeds derived from the placing amounted to approximately HK\$19,920,000 and resulted in the increase in share capital of approximately HK\$800,000 and share premium of approximately HK\$19,120,000, net of transaction costs of approximately HK\$248,000.
- (ii) On 3 May 2024 and 17 May 2024, the Company and a placing agent entered into a placing agreement and supplemental agreement, pursuant to which the Company has conditionally agreed to place a maximum of 150,000,000 placing shares to not less than six Placees at a price of HK\$0.12 per share. The placing was completed on 29 May 2024 pursuant to which the Company has allotted and issued 150,000,000 placing shares. The net proceeds derived from the placing amounted to approximately HK\$17,000,000 and resulted in the increase in share capital of approximately HK\$1,500,000 and share premium of approximately HK\$15,500,000, net of transaction costs of approximately HK\$1,000,000. The net proceeds from the placing will be used for the development of food and beverage and IT business segments and general working capital.

### (c) Merger reserves

Merger reserves represent the reserves that arose pursuant to a reorganisation of the Company and its subsidiaries now comprising the Group which was completed on 20 November 2017 to rationalise the Group's structure (the "**Reorganisation**") in preparation of the listing of the shares of the Company on GEM of the Stock Exchange, whereby the Company became the holding company of the Group under the Reorganisation, details of which are fully explained in the paragraphs headed "Reorganisation" of the section headed "History, Reorganisation and Group Structure" in the prospectus of the Company dated 31 August 2018.

### (d) Share premium

The share premium account records the excess of the total consideration over the par value of the shares issued by the Company, net of share issue expenses incurred.

### (e) Translation reserves

The reserves comprise all foreign exchange differences arising from the translation of the financial statements of subsidiaries with functional currencies other than HK\$. The reserves are dealt with in accordance with the accounting policies set out in note 4(c).

### (f) Distributable reserves

At 31 March 2025, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Laws of Cayman Islands, amounted to approximately HK\$31,680,000 (31 March 2024: HK\$56,912,000).

# Notes to the Consolidated Financial Statements

*For the year ended 31 March 2025*

## 27. CAPITAL AND RESERVES (CONTINUED)

### (g) Legal reserves

In accordance with the Article 377 of the Commercial Code of Macao Special Administrative Region, the subsidiary registered in Macao Special Administrative Region is required to transfer part of its profits of each accounting period of not less than 25% to legal reserves, until the amount reaches half of its registered share capital.

### (h) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to fund its business and provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors capital with reference to its debt position. The Group's strategy was to maintain the equity and debt in a balanced position and ensure there was adequate working capital to serve its debt obligations. At 31 March 2025 and 2024, the ratio of the Group's total liabilities over its total assets was 18.9% and 25.3% respectively.

For the listing on the Stock Exchange, the Company has to have a public float of at least 25% of the total number of the Shares in issue, except for above, neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements. The Company has maintained the prescribed public float under the GEM Listing Rules during the years ended 31 March 2024 and 2025.

## 28. DIVIDEND

The directors of the Company do not recommend the payment of final dividend for the year ended 31 March 2025 (2024: nil).

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 29. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2025 and 2024 are set out below:

Name of company	Place of incorporation/ establishment and place of operation	Registered/ issued and fully paid up capital	Attributable equity interest			Principal activities
			The Group's effective interest	Held by the Company	Held by subsidiary	
WAC (Hong Kong) Limited	BVI	US\$1	100%	100%	–	Investment holding
Kelca Limited	Hong Kong	HK\$500,000 (2024: N/A)	100% (2024: N/A)	100% (2024: N/A)	– (2024: N/A)	Provision of IT solutions & services, procurement of IT products
Wong & Cheng Consulting Engineers Limited	Hong Kong	HK\$550,000	100%	–	100%	Provision of comprehensive structural and geotechnical engineering consultancy services
黃鄭建築科技開發(深圳)有限公司 (note (i))	PRC	HK\$1,000,000	100%	–	100%	Provision of computer – aided drawings and design of construction and back office support
Wong & Cheng Consulting Engineers (Macau) Limited	Macau	MOP100,000	100%	–	100%	Provision of comprehensive structural and geotechnical engineering consultancy services
AP Construction Engineering Limited	Hong Kong	HK\$1	100%	–	100%	Provision of equipment rental services
King Of Catering (HK) Limited (note (ii))	Hong Kong	HK\$1	100%	–	100%	Dormant

Note:

(i) 黃鄭建築科技開發(深圳)有限公司 is registered as a wholly-foreign-owned enterprise under PRC Law.

(ii) King of Catering (HK) Limited was incorporated on 27 February 2024.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 30. FINANCIAL INFORMATION OF THE COMPANY

### Statement of financial position

At 31 March 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries		—	—
<b>Current assets</b>			
Other receivables		117	117
Amounts due from subsidiaries		45,757	31,487
		45,874	31,604
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accrued expense and other payables		374	1,061
Net current assets		45,500	30,543
<b>Net assets</b>		45,500	30,543
<b>EQUITY</b>			
Share capital	27	13,820	12,320
Share premium		106,036	90,536
Accumulated losses		(74,356)	(72,313)
<b>Total equity</b>		45,500	30,543

Approved and authorised for issue by the Board of Directors on 31 July 2025 and signed on its behalf by:

**Tsang Wing Ki**  
Director

**Leung Suet Yiu**  
Director



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 30. FINANCIAL INFORMATION OF THE COMPANY (CONTINUED)

### Statement of financial position (Continued)

Note:

Movements of the Company's reserves are as follows:

	Share premium HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at 1 April 2023	71,416	(31,066)	40,350
Loss and total comprehensive expense for the year	—	(41,247)	(41,247)
Placing of new shares on 31 January 2024	19,368	—	19,368
Transaction cost attributable to placing of new shares	(248)	—	(248)
Balance at 31 March 2024 and 1 April 2024	90,536	(72,313)	18,223
Loss and total comprehensive expense for the year	—	(2,043)	(2,043)
Placing of new shares on 29 May 2024	16,500	—	16,500
Transaction cost attributable to placing of new shares	(1,000)	—	(1,000)
Balance at 31 March 2025	106,036	(74,356)	31,680

## 31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW

### (a) Major non-cash transaction

During the year ended 31 March 2025, the Group entered into lease contracts in which addition and modification to right-of-use assets and lease liabilities amounting to approximately HK\$2,598,000 and HK\$5,360,000 were recognised respectively.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUED)

### (b) Reconciliation of liabilities arising from financing activities

The following table shows the Group's change in liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities 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.

	Lease liabilities HK\$'000
At 1 April 2023	9,305
<b>Charges from financing cash flows:</b>	
Payment for the lease liabilities	(2,920)
Interest paid	(417)
<b>Other charges:</b>	
Interest expenses	417
New leases	2,049
Termination	(1,551)
<b>Exchange adjustment</b>	<u>(64)</u>
At 31 March 2024	<u>6,819</u>
At 31 March 2024 and 1 April 2024	6,819
<b>Charges from financing cash flows:</b>	
Payment for the lease liabilities	(3,330)
Interest paid	(387)
<b>Other charges:</b>	
Interest expenses	387
New leases	2,598
Modification	5,360
Termination	(2,004)
<b>Exchange adjustment</b>	<u>(3)</u>
At 31 March 2025	<u>9,440</u>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

## 32. COMMITMENTS

The Group did not have any material commitments as at 31 March 2025 and 2024.

## 33. MATERIAL RELATED PARTY TRANSACTIONS

### Transactions with key management personnel

All members of key management personnel are the directors of the Company and their remuneration is disclosed in note 13(a).

## 34. EVENTS AFTER THE REPORTING PERIOD

There is no other significant event after the reporting period of the Group except follows:

### (a) Placing shares under general mandate

On 29 March 2025, the Company entered into an agreement with Ruisen Port Securities Limited (“**Placing Agent**”), pursuant to which the Placing Agent agreed to place up to 118,000,000 placing shares (“**Placing Shares**”) at the placing price of HK\$0.039 per Placing Share, to not less than six persons or entities procured by the Placing Agent or its agents to subscribe for any Placing Shares, who and whose respective ultimate beneficial owners shall be independent third parties.

The placing was completed on 30 May 2025. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) is amounted to approximately HK\$2,420,000.

### (b) Share consolidation

Pursuant to an ordinary resolution passed by shareholders of the Company at the extraordinary general meeting of the Company on 5 June 2025, the Company effected the consolidation of every 10 issued and unissued ordinary shares of HK\$0.01 each on the share capital of the Company into 1 ordinary share of HK\$0.10 each on 9 June 2025.

### (c) Dilution of equity interest in OPS

On 9 June 2025, OPS allowed shares for an acquisition, with a fair value of USD91,452,342.80 (equivalent to approximately HK\$711,499,000). As a result of this transaction, the Group’s equity interest in OPS has been diluted from 15.22% to 2.56%. The potential impact on the valuation of the financial asset at FVTPL, which will be assessed in the subsequent reporting period.

# Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years, extracted from the audited financial statements in annual reports is as follows.

## RESULTS

	Year ended 31 March				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
Revenue	77,317	79,121	86,904	100,981	104,274
Profit/(loss) before taxation	7,203	(3,619)	3,599	3,584	64,013
Income tax credit/(expense)	(888)	(1,032)	(1,728)	134	493
Profit/(loss) for the year	6,315	(4,651)	1,871	3,718	64,506
Other comprehensive income/ (expense)	(123)	(68)	132	202	18
Profit/(loss) and total comprehensive income/(expense) for the year	6,192	(4,719)	2,003	3,920	64,524

## ASSETS AND LIABILITIES

	At 31 March				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
Total assets	88,485	120,385	137,454	154,981	243,419
Total liabilities	(18,389)	(30,432)	(45,498)	(39,185)	(46,099)
Net assets	70,096	89,953	91,956	115,796	197,320

# Glossary

<b>“Annual General Meeting”</b>	the annual general meeting of the Company to be held on 30 September, 2025
<b>“Articles” or “Articles of Association”</b>	the articles of association of our Company as amended from time to time
<b>“associate(s)”</b>	has the meaning ascribed to it under Rule 20.06(2) of the GEM Listing Rules
<b>“Audit Committee”</b>	the audit committee of the Board
<b>“Authorized Person”</b>	a person whose name is on the authorized persons’ register kept by the Building Authority under section 3(1) of the BO as an architect, an engineer, or a surveyor
<b>“BIM”</b>	building information modelling
<b>“Board”</b>	the board of Directors
<b>“BVI”</b>	the British Virgin Islands
<b>“business day”</b>	any day (other than a Saturday, Sunday or public holiday in Hong Kong and any day on which tropical cyclone warning number eight or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are generally open for normal banking business
<b>“CG Code”</b>	Corporate Governance Code and Corporate Governance Report, Appendix C1 to the GEM Listing Rules
<b>“China” or “PRC”</b>	the People's Republic of China, and except where the context requires otherwise, does not include Hong Kong, Macau and Taiwan
<b>“close associate(s)”</b>	has the meaning ascribed to it under Rule 1.01 of the GEM Listing Rules
<b>“Companies Law”</b>	the Companies Act, Cap. 22 (Act 3 of 1961) of the Cayman Islands, as amended, consolidated, revised or otherwise modified from time to time
<b>“Company”</b>	NIU Holdings Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability on 25 August 2017 and the issued Shares of which are listed on GEM of the Stock Exchange
<b>“connected person(s)”</b>	has the meaning ascribed to it under Rule 20.06(7) of the GEM Listing Rules

# Glossary

<b>“COVID-19”</b>	the novel coronavirus disease
<b>“Director(s)”</b>	the director(s) of our Company
<b>“FVTPL”</b>	financial assets at fair value through profit or loss
<b>“GEM”</b>	GEM operated by the Stock Exchange
<b>“GEM Listing Rules”</b>	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
<b>“Government”</b>	the Government of Hong Kong
<b>“Group”, “our Group”, “we” or “us”</b>	the Company together with its subsidiaries
<b>“HK\$” or “HK dollar(s)” and “cent(s)”</b>	Hong Kong dollar(s) and cent(s) respectively, the lawful currency of Hong Kong
<b>“HKEX” or “Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Hong Kong Branch Share Registrar”</b>	the branch share registrar and transfer office in Hong Kong of the Company, Tricor Investor Services Limited, located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong SAR
<b>“Hong Kong Companies Ordinance”</b>	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
<b>“Independent Third Party”</b>	a party independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
<b>“Internal Control Advisor”</b>	McM Business Service Limited, the internal control adviser of our Company
<b>“Listing”</b>	the listing of our Shares on GEM on the Listing Date
<b>“Listing Date”</b>	17 September 2018, the date on which dealings in the Shares on GEM commence
<b>“Macau”</b>	the Macao Special Administrative Region of the PRC

# Glossary

<b>“Memorandum” or “Memorandum of Association”</b>	the memorandum of association of our Company as amended from time to time
<b>“Nomination Committee”</b>	the nomination committee of the Board
<b>“OPS”</b>	OPS Holdings Limited, a company incorporated in the BVI with limited liability which was acquired by the Group on 22 July 2021. At 31 March 2025, the Group owns 15.22% equity interest of the OPS and it is a financial asset at FVTPL of the Group
<b>“OPSHK”</b>	OPS Interior Design Consultant Limited, a company incorporated in Hong Kong with limited liability which is an indirect wholly-owned subsidiary of the OPS
<b>“Prospectus”</b>	the prospectus of the Company dated 31 August 2018 issued in connection with the Listing
<b>“Registered Structural Engineer”</b>	a person whose name is for the time being on the structural engineers’ register kept by the Building Authority under section 3(3) of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong)
<b>“Remuneration Committee”</b>	the remuneration committee of the Board
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“SFO”</b>	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
<b>“Share Offer”</b>	the issue of 288,000,000 ordinary Shares by way of share offer at a price of HK\$0.20 per Share on 17 September 2018
<b>“Share Option Scheme”</b>	the share option scheme approved and adopted by our Company pursuant to written resolutions of our Shareholders on 27 August 2018
<b>“Share(s)”</b>	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of our Company
<b>“Shareholder(s)”</b>	holder(s) of our Share(s) from time to time
<b>“subsidiary(ies)”</b>	has the meaning ascribed to it under the GEM Listing Rules

# Glossary

<b>“Substantial Shareholder(s)”</b>	the substantial Shareholder(s) having the meaning ascribed to it under the GEM Listing Rules
<b>“US\$” or “U.S. dollar(s)”</b>	United States dollar, the lawful currency for the United States of America
<b>“W&amp;C Hong Kong”</b>	Wong & Cheng Consulting Engineers Limited (黃鄭顧問工程師有限公司), formerly known as “Wong & Cheng Consulting Engineers Limited” and “Fine Future Limited (明程有限公司)”, a company incorporated in Hong Kong with limited liability on 19 June 1987, which is owned as to 100% by WAC (HK) and is our indirect wholly-owned subsidiary
<b>“WAC (HK)”</b>	WAC (Hong Kong) Limited, a company incorporated in the BVI with limited liability on 29 August 2017, which is our direct wholly-owned subsidiary
<b>“%”</b>	percent