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BOSA TECHNOLOGY HOLDINGS LIMITED

人和科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8140)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2026

The board (the “**Board**”) of directors (the “**Directors**”) of BOSA Technology Holdings Limited (the “**Company**”) is pleased to announce the audited results of the Company and its subsidiaries (together as the “**Group**”) for the year 30 June 2026. This announcement, containing the full text of the 2026 annual report of the Group, complies with the relevant requirements of the Rules Governing the Listing of Securities (“**GEM Listing Rules**”) on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcements of annual results. Printed version of the 2026 annual report of the Company containing the information required by the GEM Listing Rules will be despatched to the shareholders in due course.

The Company’s annual results announcement is published on the Stock Exchange website at <http://www.hkexnews.hk> and the Company’s website at www.hklistco.com/8140.

By Order of the Board

BOSA Technology Holdings Limited

Lim Su I

Chief Executive Officer and Executive Director

Hong Kong, 24 September 2026

As at the date of this announcement, the executive Directors are Mr. Lim Su I, Mr. Paulino Lim and Mr. Yang Tien-Lee; the non-executive Director is Mr. Kwan Tek Sian; and the independent non-executive Directors are Mr. Law Sung Ching Gavin, Ms. Chu Wei Ning and Mr. Ng Ming Hon.

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

This announcement will remain on the “Latest Company Announcements” page on the Stock Exchange website at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and on the Company’s website at www.hklistco.com/8140.

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

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

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

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

This report, for which the directors (the “Directors”) of BOSA Technology Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the “GEM Listing Rules”) of the Stock Exchange for the purpose of giving information with regard to the Company and its subsidiaries (together, the “Group”). 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

NON-EXECUTIVE DIRECTOR

Mr. Kwan Tek Sian (*Chairman*)

EXECUTIVE DIRECTORS

Mr. Lim Su I
Mr. Paulino Lim
Mr. Yang Tien-Lee

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Law Sung Ching Gavin
Ms. Chu Wei Ning
Mr. Ng Ming Hon

AUDIT COMMITTEE

Mr. Ng Ming Hon (*Chairman*)
Mr. Kwan Tek Sian
Mr. Law Sung Ching Gavin

REMUNERATION COMMITTEE

Mr. Law Sung Ching Gavin (*Chairman*)
Mr. Paulino Lim
Mr. Ng Ming Hon

NOMINATION COMMITTEE

Mr. Kwan Tek Sian (*Chairman*)
Ms. Chu Wei Ning
Mr. Ng Ming Hon

COMPANY SECRETARY

Ms. Lam Yuen Man Maria

AUTHORIZED REPRESENTATIVES

Mr. Paulino Lim
Ms. Lam Yuen Man Maria

COMPLIANCE OFFICER

Mr. Paulino Lim

REGISTERED OFFICE

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PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
Bank of China Tower
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CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
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Regatta Office Park
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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

STOCK CODE

8140

COMPANY WEBSITE

www.hklistco.com/8140

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the “Board”) of BOSA Technology Holdings Limited (the “Company”), I am pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 30 June 2026 (the “Year”).

PERFORMANCE FOR THE YEAR

During the Year, the Group's revenue decreased by approximately HK\$16.7 million or 20.3%, from approximately HK\$82.3 million for the year ended 30 June 2025 to approximately HK\$65.6 million for the Year. This contraction was primarily attributable to lower revenue from mechanical splicing services, including reduced coupler sales, as fewer new projects and customers were secured during the Year. Gross profit decreased by approximately HK\$7.5 million or 18.4%, from approximately HK\$40.4 million for the year ended 30 June 2025 to approximately HK\$33.0 million for the Year while gross profit margin improved to 50.3% from 49.1%.

Profit attributable to owners of the Company was approximately HK\$15.9 million for the Year (2025: HK\$31.6 million), and basic and diluted earnings per share were HK1.99 cents (2025: HK3.95 cents). The decline in net profit was mainly due to the lower revenue base and a substantially smaller reversal of impairment loss on trade receivables compared with the prior year.

PROSPECT

The operating environment for Hong Kong's property and construction industry remained challenging during the Year ended 30 June 2026, with high interest rates, cautious market sentiment and unsold inventory continuing to weigh on private sector activity. Nevertheless, the removal of earlier cooling measures has helped stabilise conditions, while the Government's capital works programme, averaging HK\$120 billion annually over the next five years, together with strategic initiatives such as the Northern Metropolis and the Kau Yi Chau artificial islands, provides a strong pipeline of infrastructure and housing projects. The Group will continue to manage costs prudently, diversify its customer base and enhance operational efficiency, and the Board remains confident in the long-term prospects of Hong Kong's economy and construction sector.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere appreciation to our shareholders, customers, subcontractors and suppliers for their continuous support, as well as the management team and the staff of the Group for their hard work and dedication.

Kwan Tek Sian

Non-executive Director and Chairman

Hong Kong, 24 September 2026

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

Market Review

Overall Economic and Market Environment

During the financial year ended 30 June 2026, Hong Kong's property and construction markets operated in a mixed environment. Private-sector activity remained subdued amid earlier high interest rates, elevated financing costs and weak developer sentiment, while public-sector construction and infrastructure investment provided important support to the wider industry. Market conditions showed early signs of stabilisation towards the beginning of calendar year 2026, although the pace and durability of the recovery remained uncertain.

The construction statistics cited below are based on calendar-year 2025 and provisional data for the first quarter of 2026. They should not be interpreted as representing the Group's full-year financial results for the year ended 30 June 2026.

Construction Industry Performance

According to the Census and Statistics Department of Hong Kong, the total gross value of construction works ("GVCW") performed by main contractors in 2025 decreased by 1.4% in nominal terms to HK\$286.6 billion. In real terms, after adjusting for price changes, total GVCW decreased by 4.5%.

Construction activity improved on a year-on-year basis in the first quarter of 2026. Total GVCW reached HK\$72.7 billion, representing a 2.9% nominal increase and a 1.0% increase in real terms compared with the corresponding period in 2025. As these figures cover only one quarter and are provisional, they indicate an improvement in activity but do not yet establish a sustained industry-wide recovery.

Public and Private Sector Dynamics

The market continued to demonstrate a clear divergence between public-sector and private-sector construction activity.

GVCW performed at public-sector sites increased by 10.2% in nominal terms in 2025 to HK\$130.1 billion. The growth continued in the first quarter of 2026, when public-sector GVCW increased by 17.8% year on year to HK\$35.9 billion. Public-sector projects therefore remained an important source of construction demand during the period.

By contrast, GVCW performed at private-sector sites decreased by 16.9% in nominal terms in 2025 to HK\$70.7 billion. The decline continued in the first quarter of 2026, when private-sector GVCW fell by 15.9% year on year to HK\$16.5 billion. Private-sector construction activity remained affected by cautious developer sentiment, project timing and the need to manage existing housing inventory.

MANAGEMENT DISCUSSION AND ANALYSIS

Residential and Property Market Trends

Residential building projects remained the largest major end-use category of construction-site works. Residential GVCW amounted to HK\$84.9 billion in 2025, representing a 1.2% nominal increase. In the first quarter of 2026, residential GVCW increased by 7.6% year on year to HK\$22.5 billion.

Hong Kong's residential property market also showed signs of improvement during the early part of 2026. Monthly residential transaction volumes remained above 5,000 units, with recent reported months reaching approximately 6,600 transactions. Improved financing conditions, policy support and expectations of lower interest rates contributed to a more positive market sentiment. Some market commentators also expected mortgage rates to fall below 3%, although this remains a forecast rather than an established outcome.

Residential transaction forecasts for 2026 varied among market commentators. Knight Frank projected approximately 65,000 to 68,000 residential transactions, while other forecasts placed the expected range at approximately 65,000 to 70,000 transactions. These forecasts remain subject to interest-rate movements, economic conditions, housing affordability and developer pricing strategies.

Opportunities and Outlook for the Group

The near-term outlook for private residential construction remains mixed, as developers may continue to manage existing inventory and exercise caution over the timing of new projects. Nevertheless, the longer-term outlook for Hong Kong's construction industry continues to be supported by the Government's housing, infrastructure and land-development programmes.

The Northern Metropolis remains a major long-term development initiative and is expected to provide substantial future housing and infrastructure opportunities. Government housing programmes also provide a continuing pipeline of public-sector projects, with the 2026–27 Budget estimating approximately 196,000 public-housing units over the following five years, including Light Public Housing. The Government's March 2026 forecast also provided for significant public-housing production during the five-year period beginning in 2026/27.

For BOSA Technology Holdings Limited, the continued expansion of public-sector works and the improvement in residential construction activity may create additional opportunities for the Group's Seisplíce and Servisplíce systems. Demand for mechanical splicing and reinforced-concrete solutions is expected to remain influenced by project specifications, contractor and developer procurement decisions, construction activity levels, safety requirements and applicable regulatory standards.

The Group will continue to focus on product quality, technical support, compliance and the effective application of its quality-management systems. Subject to market conditions and successful project execution, management believes that the Group is well positioned to pursue opportunities arising from Hong Kong's infrastructure, public-housing and residential-development programmes.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in providing mechanical splicing services to the reinforced concrete construction industry in Hong Kong. The Group's customers are primarily main contractors and subcontractors of various types of reinforced concrete construction projects in Hong Kong. Construction projects that the Group service can generally be categorised into public sector projects and private sector projects. The majority of the Group's revenue during the two years ended 30 June 2026 was derived from private sector projects.

The Group will continue to cautiously monitor the business opportunities and continue to strengthen its competitiveness in the market to enhance the profitability of the Group and interests of the shareholders of the Company.

Completed projects

During the Year, the Group had completed 149 (2025: 203) projects with revenue recognized of approximately HK\$11.9 million (2025: HK\$23.6 million).

Ongoing projects

As at 30 June 2026, the Group had 134 (2025: 135) ongoing projects. The revenue recognised for these contracts amounted to approximately HK\$41.7 million (2025: HK\$58.7 million) for the Year. The management considered that all of the ongoing projects were on schedule and none of which would cause the Group to indemnify the third parties and increase the contingent liabilities nor any material adverse effect on the financial results of the Group. Details of top 5 ongoing projects (in terms of revenue recognised during the two years ended 30 June 2026) are as follows:

For the year ended 30 June 2026	Sector	Commencement date	Revenue HK\$ million
Yuen Long Effluent Polishing Plant — Main Works for Stage 1	Public	May 2022	7.13
Main Contract (Site 3A) for The Proposed Development at IL9088 New Central Harbourfront Site 3 Hong Kong	Public	July 2024	3.62
Sai Sha Development TPTL — 253, Site B	Private	August 2021	1.61
Design and Construction of Light Public Housing at Yau Pok Road, Yuen Long, at Tuen Mun Area 3A and at Choi Hing Kok Road, Ngau Tau Kok	Public	January 2024	2.21
Tung Chung West Station and Tunnels (Contract No.: 1201)	Public	September 2024	6.26
For the year ended 30 June 2025			
China Mobile International Commerces on Fo Tan Data Center	Private	January 2024	3.28
Redevelopment Project of Grantham Hospital (GH) — Phase 1	Public	August 2023	4.08
Commercial Development on IL No. 8945, Caroline Hill Road, Causeway Bay	Public	October 2023	4.92
Lot No. 4076 in Demarcation District No. 91 at the Junction of Fan Kam Road and Castle Peak Road — Kwu Tung	Public	May 2024	3.78
Design and Construction of Light Public Housing at Yau Pok Road, Yuen Long, at Tuen Mun Area, 3A and at Choi Hung Road, Ngau Tau Kok	Public	January 2024	5.92

MANAGEMENT DISCUSSION AND ANALYSIS

Newly awarded projects

During the Year, the Group had secured 132 (2025: 157) newly awarded contracts with revenue recognised of approximately HK\$23.8 million (2025: HK\$29.9 million). Details of the top 5 newly awarded projects (in terms of revenue recognised during the two years ended 30 June 2026) are as follows:

For the year ended 30 June 2026	Sector	Commencement date	Revenue HK\$ million
DC/2023/07-Drainage Improvement Works at North District — Phase 1	Public	August 2025	0.75
St. George's Court at 81A, 83, 85 Kadoorie Avenue, Kowloon	Private	September 2025	0.74
Main Contract Works for Batches 1B and 1C Development of Hong Kong-Shenzhen Innovation and Technology Park (HSITP)	Private	January 2026	4.17
KCTL 531- Kwai Chung Logistics Centre	Public	March 2026	2.66
MTRC 1701- Siu Ho Wan Oyster Bay Station and Associated Works	Public	August 2025	1.81
For the year ended 30 June 2025			
iTech Tower 3, 8 On Chuen Street, Fanling, Hong Kong	Private	November 2024	1.29
Fanling Sheung Shui Town Lot No. 279 at Area 25, Kwu Tung, New Territories	Private	July 2024	1.28
Main Contract (Site 3A) for the Proposed Development at IL9088 New Central Harbourfront Site 3 Hong Kong	Public	July 2024	5.55
TKOI Phase I Greenfield Data Center Development	Private	November 2024	1.67
Tung Chung West Station and Tunnels (Contract No. 1201)	Private	September 2024	2.01

OUTLOOK

The overall construction business in Hong Kong is expected to remain in the region of steady to slow in the short to medium term and the Hong Kong government is likely to provide stimulus to the local economy. Yet, the trend of interest rate, the US-China relationship and the geopolitical tensions continue to pose uncertainties to the Hong Kong economy. The fluctuations of TW\$ and steel price may also drive up the material cost and the gross margin may be eroded. The Group will monitor prudently the selling price to the customers and the purchases price of couplers from Taiwan to ensure the business of the Group maintaining a reasonable gross margin.

FINANCIAL HIGHLIGHT AND OVERVIEW

	For the year ended 30 June		
	2026 HK\$'000	2025 HK\$'000	Change %
Revenue	65,618	82,337	-20.3%
Gross profit	32,980	40,433	-18.4%
Gross profit margin	50.3%	49.1%	2.4%
Net profit and total comprehensive income	15,992	31,472	-49.2%
Earnings per share (HK cents)	1.99	3.95	-49.6%

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the two years ended 30 June 2026, all of the Group's revenue was generated from services of processing and connecting reinforcing bars in Hong Kong. Accordingly, the Group has only one single operating segment and one geographical segment.

	For the year ended 30 June					
	2026			2025		
	Number of projects with revenue contribution	HK\$ million	% of total revenue	Number of projects with revenue contribution	HK\$ million	% of total revenue
Private sector projects	135	21.2	32.4	132	27.0	32.8
Public sector projects	131	44.4	67.6	160	55.3	67.2
Total	266	65.6	100	292	82.3	100

The Group's revenue decreased by approximately HK\$16.7 million or 20.3% from approximately HK\$82.3 million for the year ended 30 June 2025 to HK\$65.6 million for the Year, which was mainly attributable to the reduced sales of couplers, as the Group secured fewer new projects and customers. All revenue continued to be generated in Hong Kong.

Cost of sales

The Group's cost of sales consists primarily of coupler supplies, direct labour costs, direct overheads (including electricity charged and depreciation charges on plant and equipment), consumables and depreciation charges on right-of-use assets. Direct labour costs comprise of labour costs of workers at workshops and direct overhead comprise of overhead of workshops. Consumables comprise of machine parts, such as springs and screws for equipment repair and maintenance, remote controls and devices for equipment operations at workshops.

The Group's cost of sales decreased by approximately HK\$9.3 million or 22.1% from approximately HK\$41.9 million for the year ended 30 June 2025 to HK\$32.6 million for the Year, mainly due to the drop in sales volume and the decrease in direct material costs.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately HK\$7.5 million or 18.4% from approximately HK\$40.4 million for the year ended 30 June 2025 to approximately HK\$33 million for the Year. The gross profit margin of the Group increased from approximately 49.1% for the year ended 30 June 2025 to 50.3% for the Year mainly due to the decrease in direct material and direct overhead cost outpaced the fall in revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income

The Group's other income consist primarily of service income, insurance compensation and bank interest income. The Group's other income decreased by approximately HK\$0.2 million or 2.6% from approximately HK\$8.1 million for the year ended 30 June 2025 to approximately HK\$7.9 million for the Year.

The decrease was mainly attribute to the decrease in service income of approximately HK\$0.5 million and decrease in insurance compensation of approximately HK\$0.3 million, but partially offset by the increase in bank interest income of approximately HK\$0.5 million.

Other losses

The Group's other losses increased significantly by approximately HK\$0.2 million from approximately HK\$14,000 for the year ended 30 June 2025 to approximately HK\$243,000 for the Year. The increase mainly arose from the increase in exchange loss due to the fluctuation of JPY, and AUD held by the Group during the Year.

Selling and distribution expenses

The Group's selling and distribution expenses consist primarily of advertising and promotional expenses, which mainly represent the costs of attending industry seminars as well as costs of providing various souvenirs in such seminars.

The Group's selling and distribution expenses significantly decreased by approximately HK\$163,000 from approximately HK\$489,000 for the year ended 30 June 2025 to approximately HK\$326,000 for the Year, mainly due to lower promotional and marketing activities.

Reversal of impairment loss recognised in respect of trade receivables

The Group's impairment loss recognised in respect of trade receivables is assessed under the expected credit loss ("ECL") model on trade receivable. The amount of ECL is updated to reflect changes in credit risk for the year ended 30 June 2026.

The Group's recognized a net reversal of impairment loss of approximately HK\$0.6 million (2025: HK\$7.7 million) in respect of trade receivables. This represents a decrease of approximately HK\$7.1 million compared to the reversal recognised for the year ended 30 June 2025. The reversal was mainly attributable to a reduction in trade receivable that were past due over 90 days. Nevertheless, the rapid rise in interest rates has increased both borrowing costs and opportunity costs, promoting customers to hold on to their cash for longer periods. Consequently, the credit risk remains at a high level.

Administrative expenses

The Group's administrative expenses consist primarily of office staff costs and Directors' remuneration, entertainment and marketing expenses, travelling and transportation expenses, depreciation charges, office expenses, legal and professional fees and other administrative expenses.

The Group's administrative expenses significantly increased by approximately HK\$3.5 million, or 18.1% from approximately HK\$19.2 million for the year ended 30 June 2025 to approximately HK\$22.7 million for the year.

Finance costs

The Group's finance costs comprise primarily of interests on lease liabilities.

The Group's finance costs increased by approximately HK\$46,000 from approximately HK\$196,000 for the year ended 30 June 2025 to approximately HK\$242,000 for the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

Taxation

The Group's taxation decreased by approximately HK\$2.7 million or 55.7%, from approximately HK\$4.8 million for the year ended 30 June 2025 to approximately HK\$2.1 million for the Year. The tax provision was assessable profit for the Group mainly subjected to Hong Kong profit tax. Hong Kong profits tax has been provided at the rate of 8.25% on the first HK\$2.0 million of the estimated assessable profits and at 16.5% on the estimated assessable profit above HK\$2.0 million for the years ended 30 June 2025 and 2026.

Profit for the year

As a result of the foregoing factors, the Group recorded a profit of approximately HK\$15.9 million for the Year, as compared to approximately HK\$31.6 million for the year ended 30 June 2025.

Liquidity and Financial Resources

The Group practiced prudent financial management and maintained a strong and sound financial position during the Year. As at 30 June 2026, the Group had bank balances of approximately HK\$63.8 million (2025: approximately HK\$57.6 million) and time deposits with maturity over three months of HK\$151.7 million (2025: HK\$143.6 million). The current ratio (current assets divided by current liabilities) of the Group was approximately 12.0 times as at 30 June 2026 (2025: approximately 9.9 times). The Group had no bank borrowings or overdrafts as at 30 June 2026 (2025: nil). The Group's gearing ratio, representing total borrowings divided by total equity, was nil as at 30 June 2026 (2025: nil). In view of the Group's current level of cash and bank balances, funds generated internally from operations, the Board considers that the Group has sufficient financial resources to meet its working capital and capital expenditure requirements.

Material acquisitions and disposals

There were no material acquisitions and disposals during the Year.

Foreign Exchange Exposure

The Group's coupler purchases are denominated in New Taiwan Dollars. The Group expects to continue to make coupler purchases in Taiwan in the near future. Accordingly, fluctuations in TW\$ against HK\$ may result in exchange losses or gains and affect the results of operations. The management considered that the Group has sufficient foreign exchange to meet its foreign exchange liabilities as they become due, which will be funded by our cash generated for operating activities. The Group did not enter into any hedging arrangements during the Year but will continue to monitor its foreign exchange exposure. The Group will consider hedging significant foreign currency exposure should the need arises and no derivative financial instruments were held by the Group as at 30 June 2026 for speculative purposes.

Capital Commitments

As at 30 June 2026, the Group had no capital expenditure (2025: nil) in respect of the acquisition of plant and equipment contracted and not provided in the consolidated financial statements.

Pledge of Assets

As at 30 June 2026, the Group had no pledged assets (2025: the Group's obligations under leases liabilities were secured by the lessor's charge over the leased assets, a right-of-use asset relating to a motor vehicle with a carrying amount of HK\$54,000 was secured by the lessor's charge). The related lease was settled during the Year.

Save as disclosed above, the Group did not have other pledged assets as at 30 June 2025 and 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Structure

The Company was incorporated in Cayman Islands and registered as an exempted company with limited liability under the Cayman Companies Law on 24 October 2016. Its shares were listed on GEM of the Stock Exchange on 12 July 2018. The Company's capital comprises ordinary shares and capital reserves. The Group finances its working capital, capital expenditures and other liquidity requirements through a combination its cash and cash equivalents and cash flows generated from operations. There has been no change in the capital structure of the Group during the Year and up to the date of this report.

Future Plans for Material Investment and Capital Assets

The Group did not have any other plans for material investment and capital assets as at 30 June 2026 save for the acquisition of a parcel of land to open new workshop in Hong Kong and acquisition of certain plant and equipment. Details of the implementation plan for the acquisition of a parcel of land were set out in this report under the section "Use of Listing Proceeds".

Employees and Remuneration Policies

As at 30 June 2026, the Group had 40 full-time employees (2025: 37 employees), including the Directors. Total staff costs (including Directors' emoluments and part-time employees) were approximately HK\$23.4 million for the Year as compared to approximately HK\$24.7 million for the year ended 30 June 2025. Such decrease was mainly due to decrease in discretionary bonus during the Year. Remuneration is determined with reference to duties, responsibilities, experience and skills. On top of basic salaries, the Group provides discretionary bonuses to its senior management and key employees as incentive bonuses.

Use of Listing Proceeds

The Company's shares were listed on GEM of the Stock Exchange on 12 July 2018 for which the Company issued 200,000,000 new shares at HK\$0.30 per share. The net listing proceeds received by the Company, after deducting underwriting fees and other related expenses, are approximately HK\$37.8 million. These proceeds are intended to be applied in the manner as described in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The future plan and scheduled use of proceeds as disclosed in the Prospectus were based on the best estimation of future market conditions made by the Group at the time of preparing the Prospectus, while the proceeds were applied with consideration of the actual development of business and market. As at the date of this report, the Group does not anticipate any material change to the plan as to the use of listing proceeds. All unused net proceeds have been placed as interest bearing short-term demand deposits with licensed bank in Hong Kong. Barring any unforeseen circumstances, the remaining proceeds will be utilised by 31 December 2028.

MANAGEMENT DISCUSSION AND ANALYSIS

Comparison Between Business Objectives and Actual Business Progress

The below table sets out the proposed applications of the net proceeds as set out in the Prospectus and the unutilized amount as at 30 June 2026:

Description	Amount designated in the Prospectus (as adjusted based on the actual net proceeds raised)	Business plan as disclosed in Prospectus	Utilized as at 30 June 2026	Total remaining net proceeds available as at 30 June 2026	Latest development	Expected timeframe
<i>Use of net proceeds</i>	<i>HK\$ million</i>		<i>HK\$ million</i>	<i>HK\$ million</i>		
Expanding scale of operations	35.3	Acquire a parcel of land to open a new workshop within the New Territories of Hong Kong, such as Yuen Long and Ping Che	–	35.3	The previously social unrest in 2019–2020, the ongoing COVID-19 pandemic, the increase in land price after listing, the lower than expected recoveries in the local economy after the reopening of the borders of mainland China, the slowdown of the mainland China economy and the rapid raising of interest rates. All these factors are affecting economic activities and demand extremely careful reconsiderations. As a result, the searching for a suitable parcel of land has been delayed. Save as Yuen Long and Ping Che, the Group is also considering other geographical location for the expansion of workshop in appropriate circumstances.	The proposed acquisition of a parcel of land is expected to be completed by 31 December 2028
		— Finalise selection of a parcel of land (Internal resources)				
		— Purchase a parcel of land (HK\$35.3 million)				
		— Commence construction of a new workshop or adapt existing structure for purposes of the new workshop (as the case may be) (Internal resources)				
Placing resources into research and development	2.4	Conduct research and development with a view to enhancing the quality and cost-effectiveness of our existing mechanical splicing services, and reducing overhead costs and servicing time:			The Group is in the course of identifying suitable candidate(s) to join our research and development team and would continue to seek for suitable research and development opportunities once our research and development capability is improved.	The completion date is expected to be 31 December 2028
		— Employ one additional qualified technical staff to join our research and development team and carry out research and development activities (HK\$0.4 million)	–	0.4		
		— Conduct research and development activities to enhance quality and cost-effectiveness of our services (HK\$0.4 million)	0.4	–		

MANAGEMENT DISCUSSION AND ANALYSIS

Description	Amount designated in the Prospectus (as adjusted based on the actual net proceeds raised)	Business plan as disclosed in Prospectus	Utilized as at	Total remaining net proceeds available as at	Latest development	Expected timeframe
	HK\$ million		30 June 2026 HK\$ million	30 June 2026 HK\$ million		
Use of net proceeds						
		— Explore ways to enhance and improve the automated features of our machines to increase efficiency and reduce human errors, including developing our next generation of our self-developed CNC crimping machines and CNC threading machines (HK\$0.2 million)	—	0.2		
		— Develop two prototypes of our next generation machines and collect data points on reliability, efficiency and other metrics (HK\$0.9 million)	0.9	—		
		— Explore other type(s) of couplers that may be useful in the Hong Kong mechanical splicing service market (HK\$0.4 million)	—	0.4		
		— Continue to prepare production manuals and update quality assurance protocols (HK\$0.1 million)	—	0.1		
General working capital	0.1		0.1	—		
Total	37.8		1.4	36.4		

As at date of this report, the remaining amount of approximately HK\$36.4 million were expected to be utilized in the same manner as disclosed in the Prospectus based on the flowing timeline:

MANAGEMENT DISCUSSION AND ANALYSIS

Acquire a parcel of land to open a new workshop

As at date of this report, approximately HK\$35.3 million allocated for acquiring a parcel of land to open a new workshop has not been utilized by the Group, which was planned to be completed during the period from 1 July 2018 to 31 December 2018 as set forth in the Prospectus. The number of factors affecting the timeline of acquiring the land have been increased and getting more and more complicated. The previously social unrest in 2019–2020, the increase in the land price after listing, the ongoing COVID-19 pandemic, the lower than expected recoveries in the local economy after the reopening of the borders of mainland China, the slowdown of the mainland China economy and the rapid raising of interest rates. All these factors are affecting economic activities and demand extremely careful reconsiderations. In light of the uncertainties and potential adverse impacts of these factors, the Group has adopted a more cautious approach in evaluating a suitable parcel of land. Apart from the selection criteria as set forth in the Prospectus, the Group needs to take into consideration investment return, profitability of acquisition in the latest market condition, synergy effect with the Group and challenges and expenses that could arise from integrating with the acquisition of a parcel of land. The Board considers that the delay had no material adverse impact on the business operation and financial position of the Group. Since Listing, the management of the Group has established a location selection committee and were in the course of identifying a potential parcel of land for opening a new workshop. As the acquisition of a parcel of land to open a new workshop was considered a crucial factor in determining the long-term growth and future success, the Group will require more time to identify suitable potential workshop location based on the factors identified above, and it is expected that the unutilized net proceeds will be fully utilized on or before 31 December 2028.

Placing resources into research and development

According to the Prospectus, the planned use of net proceeds (as adjusted on a pro rata basis based on the actual net proceeds raised) for spending on research and development by 31 December 2018 is approximately HK\$2.4 million. The actual use of the net proceeds up to 30 June 2026 is approximately HK\$1.4 million. The actual used amount was less than the planned use amount primarily because (i) there was a delay in opening a new workshop as mentioned above; and (ii) the Group has taken a longer time to assess and implement the research and development plan in a proper manner.

The Group will continue to seek for suitable research and development opportunities with a view of enhancing the quality and cost-effectiveness of our existing mechanical splicing services, and reducing overhead costs and servicing time. It is expected that the unutilized net proceeds for research and development will be fully utilized on or before 31 December 2028.

The expected timeline for the full deployment of the unutilised proceeds disclosed above is based on the best estimation from the Board with the latest information and market condition as at the date of this report. The Board confirms that there is no material change in the business nature of the Group as set out in the Prospectus and the Group considers that the delay in the use of proceeds does not have any material adverse impact on the operation of the Group. However, further delays may still happen due to the intermittent outbreaks of Omicron. The Board will continue to closely monitor the situation and evaluate the effects on the timeline to deploy the unutilised proceeds and keep shareholders and potential investors informed if there are any material changes.

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTOR

Mr. Kwan Tek Sian

Mr. Kwan Tek Sian (“Mr. Kwan”), aged 50, is the non-executive Director and Chairman of the Board. He was appointed as the Director on 18 August 2017 and is also a member of audit committee and chairman of nomination committee of the Company.

Mr. Kwan is primarily responsible for the overall corporate strategies and development of the Group. He is an entrepreneur with interests spanning multiple industries.

From January 2006 to January 2019, he served as Executive Director of JMC Technologies Pte. Ltd., a Singapore-based company that provided information technology solutions to multinational technology companies. During his tenure, the company developed a digitisation platform, including fintech wallets and payment solutions, which was certified by the Monetary Authority of Singapore (MAS). He also served as Executive Director, Chairman, and Chief Executive Officer of AL Group Ltd. (stock code: 8360), an architectural and interior design company, from May 2019 to May 2021.

Since June 2017, Mr. Kwan has been a Director of Bionic Vision Technologies Pty. Ltd., a privately held Australian company developing visual prostheses to restore vision to the blind, and he is currently its sole Director. He was also a Director of PepCap Resources Inc. (symbol: WAV.V), a Canadian mining company listed on the TSX Venture Exchange from 2020.

Mr. Kwan holds a Bachelor of Science degree, a Master of Health Science degree, and a Graduate Diploma in Law.

EXECUTIVE DIRECTORS

Mr. Lim Su I

Mr. Lim Su I (“Mr. K. Lim”), aged 60, is the executive Director and Chief Executive Officer of the Company. He was appointed as the Director on 18 August 2017. Mr. K. Lim has over 20 years of experience in the construction industry. Mr. K. Lim is primarily responsible for overall corporate strategies, development, sales and marketing activities, and management of the Group. Mr. K. Lim obtained his bachelor degree in Civil Engineering from The University of Melbourne in 1991.

Prior to joining the Group, Mr. K. Lim was a site agent/section engineer in Hong Kong Construction (Holdings) Limited (formerly Kumagai Gumi (HK) Limited) for the years from 1998 to 2004, and was the sales manager and business consultant in Dextra Pacific Limited, provision of mechanical, for the years from 2004 to 2012.

Mr. K. Lim is the brother of Mr. Paulino Lim, an executive Director of the Company.

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY AND SENIOR MANAGEMENT

Mr. Paulino Lim

Mr. Paulino Lim (“Mr. P. Lim”), aged 52, is the executive Director and Chief Operating Officer of the Company. He is also one of the founders of the Group. He was appointed as the Director on 18 August 2017 and is also a member of remuneration committee of the Company.

Mr. P. Lim is primarily responsible for the overall corporate management and operation of the Group. He obtained his bachelor degree in Science from La Trobe University in Australia in 1997. From January 2008 to June 2012, Mr. P. Lim was the Sales and Marketing Manager of Global Securitylink Pty Ltd in Australia where he was responsible for quality control, technical support, sales and marketing activities, and management of subcontractors, human resources, accounts and inventory.

Mr. P. Lim is the brother of Mr. K. Lim, an executive Director of the Company.

Mr. Yang Tien-Lee

Mr. Yang Tien-Lee (“Mr. Yang”), aged 58, is the executive Director of the Company. He was appointed as the Director on 10 May 2021. He has joined the Company as technical manager since March 2012 and has accumulated over 26 years of experience in the engineering industry. He is currently a director of certain subsidiaries of the Group. He is primarily responsible for the Group’s quality control, and research and development. Mr. Yang completed a two-year programme in civil engineering at Taoyuan Innovation Institute of Technology at Taiwan in 1989.

Mr. Yang worked at two companies that specialized in producing couplers and other construction reinforcement materials for eight years. In 1998, Mr. Yang started his own business, BOSA Technology (Hong Kong) Ltd — Taiwan Branch, a company which specialises in producing couplers and bolts.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Law Sung Ching Gavin

Mr. Law Sung Ching Gavin (“Mr. Law”), aged 69, was appointed as independent non-executive Director of the Company on 1 March 2020 and is also a member of audit committee and chairman of remuneration committee of the Board.

Mr. Law has accumulated over 25 years of experience in finance and over 15 years of experience in auditing, accounting and company secretarial services from several financial institutions, including IBI Asia Limited and CEF Holdings Limited.

Mr. Law is currently a director of LSC Consultants Ltd. and senior advisor of C C Kwong & Company, Certified Public Accountants.

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY AND SENIOR MANAGEMENT

Ms. Chu Wei Ning

Ms. Chu Wei Ning (“Ms. Chu”), aged 54, was appointed as independent non-executive Director of the Company on 19 June 2018 and is also a member of nomination committee of the Company.

Ms. Chu has been a veteran investment banker and venture capital investment professional with over 20 years of experience. She worked as the managing director of Horizon Ventures Limited from May 2007 to January 2012. She was the founding member and an executive director, Private Equity Division of the Bank of China International Limited from August 2004 to December 2005. From 2002 to 2004, she was part of the mergers and acquisitions team of TOM Group Ltd., focusing primarily on direct investments in the Greater China region in the internet, outdoor advertising, sports, television and entertainment sectors. From April 2000 to January 2002, Ms. Chu was the vice president of Bear Stearns Asia Investment Banking Group, where she was responsible for origination and execution of regional corporate finance transactions in the telecom, media and technology sectors.

Ms. Chu currently serves as executive director and chief executive officer of China Baoli Technologies Holdings Limited (Stock Code: 164), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). She is also an independent non-executive director of Jimu Group Limited (Stock Code: 8187), the shares of which are listed on GEM of the Stock Exchange.

Ms. Chu obtained a bachelor degree in Business Administration from the Chinese University of Hong Kong and a master degree of Business Administration from the University of Texas at Austin with Honors.

Mr. Ng Ming Hon

Mr. Ng Ming Hon (“Mr. Ng”), aged 50, was appointed as independent non-executive Director of the Company on 19 June 2018. Mr. Ng is the chairman of audit committee, member for each of remuneration committee and nomination committee of the Company.

Mr. Ng obtained his bachelor degree in Commerce, majoring in accounting, from Monash University in Australia in 1999 and became a member of CPA Australia in 1999.

Mr. Ng worked as financial controller of Yingda International Leasing Co., Ltd. from August 2013 to August 2016 and worked as chief financial officer of China ZhongDi Dairy Holdings Company Limited (Stock Code: 1492) from October 2014 to December 2015.

Mr. Ng has been the chief financial officer of Heilongjiang Foresun Cattle Industry Co., Ltd. since December 2015.

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Ms. Chiu Yin Mei

Ms. Chiu Yin Mei (“Ms. Chiu”) is our administration manager. Ms. Chiu is principally responsible for overall administration, human resources and co-ordination. She joined the Group in July 2013 and has over 20 years of experience in the sales and marketing aspect of the construction industry.

Ms. Chiu graduated from Sara Beattie College in Hong Kong in 1992 with a Diploma in Executive Secretarial Studies. From August 1995 to February 1997, Ms. Chiu was the Marketing Service Officer of a trading company that distributed building materials and engineering equipment. Prior to joining the Group, from May 1997 to August 2011, Ms. Chiu worked as the Sales Support Officer of Dextra Pacific Ltd, a company that provided mechanical splicing services.

Ms. Lam Yuen Man Maria

Ms. Lam Yuen Man Maria (“Ms. Lam”) was appointed as our company secretary on 6 May 2022. Ms. Lam is a fellow member of the Association of Chartered Certified Accountants, and the Hong Kong Institute of Certified Public Accountants, and an associate member of the Hong Kong Chartered Governance Institute and the Chartered Governance Institute. She is also an Accredited Mediator. Ms. Lam holds a Bachelor’s degree in Accountancy from the Hong Kong Polytechnic University and a Master’s degree in Management from the Macquarie University.

Ms. Lam has worked with an international accounting firm and other leading listed and private group of companies prior to joining the Company and has extensive experience in company secretarial practice, assurance, treasury and finance experiences. Ms. Lam is not an employee of the Company but has been appointed as the company secretary and the authorised representative of the Company pursuant to the Company’s engagement of an external company secretarial service provider to provide company secretarial services to the Company.

REPORT OF THE DIRECTORS

The Board of Directors of the Company (the “Directors”) have pleasure in presenting their annual report together with the audited consolidated financial statements of the Group (the “Consolidated Financial Statements”) for the year ended 30 June 2026 (the “Year”).

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company, and the principal activity of its principal subsidiaries is to provide mechanical splicing services to the reinforced concrete construction industry in Hong Kong. Details of the principal activities of the principal subsidiaries of the Company are set out in note 30 to the Consolidated Financial Statements.

The business review of the Group for the Year together with the future business development as required pursuant to Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) is set out in the section headed “Management Discussion and Analysis” on pages 6 to 16 of this annual report. This discussion forms part of the report of the directors.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The operations of the Group are subject to certain environmental requirements pursuant to the laws in Hong Kong such as Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong). Discussion on the environmental policies and performance will set out in the section headed “Environmental, Social and Governance Report” (the “ESG Report”), on pages 49 to 83 of this annual report. The ESG Report forms part of the report of the directors.

For the Year and up to the date of this report, the Board did not record any non-compliance with applicable environmental requirements that resulted in prosecution or penalty being brought against the Group.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. The Board reviews and monitors the Group’s policies and practices on compliance with legal and regulatory requirements in a regular basis. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

During the Year, to the best of the Company’s knowledge, the Company has complied with all relevant laws and regulations applicable to the Company that have significant impact on the Group.

Details of the Company’s compliance with the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in the Listing Rules are set out in the section headed “Corporate Governance Report” on pages 34 to 48 of this annual report.

REPORT OF THE DIRECTORS

RELATIONSHIP WITH KEY PARTIES

The success of the Group also depends on, among other matters, the support from key parties which comprise customers, suppliers, employees and shareholders.

Customers

Customer relationship is crucial for mechanical splicing service providers to maintain long-term relationship with main contractors and subcontractors. Customers generally give preferences to long-term business partners, as they have track records of stable and reliable services. The Group has established a stable business relationship with its major customers, most of which are reputable main contractors and subcontractors. The Group's business has grown from serving a few customers to serving over 100 customers as at 30 June 2026. The Board is of the view that its operating history, together with the stable relationships with its major customers would increase its service quality and enable the Group to attract potential business opportunities.

Suppliers

Couplers are the principal raw material used and purchased by the Group. The Group's couplers are all sourced from Taiwan, which are manufactured by the OEM Factory. The Group selected the OEM factories to supply our couplers after considering that it is a successful market player in the Taiwan coupler market which assessment is in turn based on the supplier's qualification, reputation, and product quality and consistency. The Directors consider that the Group has a well-established business relationship with its OEM Factory and supply of raw material is guaranteed.

Employees

The Group focuses on the talents of its employees as our most valuable asset. The Group strives to create a good workplace that its employees are happy and motivated to work in. The Group's employees are treated fairly with respect and the Group reward performing staff by providing competitive remuneration packages and implementing an effective performance appraisal system with appropriate incentives, namely equal promotion opportunity.

Shareholders

The principal goal of the Group is to maximise the return to the shareholders of the Company. The Group will focus on its core business for achieving sustainable profit growth and rewarding the shareholders with dividend payouts taking into account the business development needs and financial health of the Group.

PLANT AND EQUIPMENT

Details of movements in plant and equipment of the Group during the year are set out in note 13 to the Consolidated Financial Statements.

SHARE CAPITAL

Details of the movement in share capital of the Company during the Year are set out in note 24 to the Consolidated Financial Statements.

REPORT OF THE DIRECTORS

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group and the Company during the year ended 30 June 2026 are set out in the consolidated statement of changes in equity on page 93 and note 24 to the Consolidated Financial Statements, respectively.

As at 30 June 2026, no reserve was available for distribution to the owners of the Company (2025: nil).

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the Consolidated Financial Statements on pages 90 to 145.

The Directors have resolved not to recommend the declaration of a final dividend to shareholders of the Company for the Year (2025: nil).

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 are summarized below:

Any failure to maintain an effective quality control system could have a material adverse effect on the Group's business and operations

The quality and consistency of the Group's services are critical to its ability to retain its customers and acquire and attract new customers. The Group's quality control system is dependent on a number of factors, including a timely update to suit the ever-changing business needs as well as our ability to ensure that the Group's quality control policy and guidelines are followed. Any failure to maintain the effective and adequate quality control system could result in defects in its services that could negatively impact the Group's reputation and expose the Group to claims by its customers. Any such dispute would incur additional costs or damage to the Group's business reputation and corporate image, as well as disrupt the Group's business operations.

The Group does not enter into any formal contract with its customers (with certain exceptions). The Group's customers request services from the Group on an order by order basis, which exposes the Group to potential volatility in its revenue

Except for certain major customers with whom the Group has entered into written contracts for projects, the Group does not enter into any long-term contract with its customers. Therefore, the Group's customers are not obligated in any way to continue placing orders with us at the historical level or at all. The Group cannot guarantee that the Group will receive any orders from the Group's existing customers or that the Group will be able to continue its business relationship with them on the current terms or at all.

The Group's services are provided based on actual orders received from its customers. The Group's customers may cancel or defer their orders. The Group's customers' orders may vary from period to period, and it is difficult to accurately forecast future order quantities. There is no assurance that any of the Group's customers will continue to place orders with the Group in the future at the same volume, or at the same margin, as compared to prior periods, or at all. The Group may not be able to locate alternative customers to place new orders. There is also no assurance that the volume or margin of the Group's customers' orders will be consistent with the Group's expectations. As a result, the Group's results of operations may vary from period to period and may fluctuate significantly in the future.

REPORT OF THE DIRECTORS

Any failure, damage or loss of the Group's equipment may materially and adversely affect the Group's operations and financial performance

The Group's services rely on its equipment, which includes reinforcing bar cutting machines, and self-developed CNC crimping machines and CNC threading machines. If the Group fails to maintain its equipment or cope with any latest development trends or demands or to cater to different needs and requirements of different customers, its overall competitiveness and thus its financial performance and results of operations may be materially and adversely affected.

In addition, there is no assurance that the Group's equipment will not be damaged or lost as a result of, among others, improper operation, accidents, fire, adverse weather conditions, theft or robbery. The Group's equipment may break down or fail to function normally due to wear and tear or mechanical or other issues. The Group does not maintain insurance covering loss of or damage to its equipment. If any failed, damaged or lost equipment cannot be repaired and/or replaced in a timely manner, the Group's operations and financial performance could be materially and adversely affected.

Furthermore, the Group plans to acquire additional equipment to enhance its technical ability and to strengthen its capability to cater to different needs and requirements of different customers. As a result of the purchase of additional equipment, it is expected that additional depreciation will be charged to the profit or loss and may, therefore, affect the Group's business, financial condition and results of operations.

FIVE YEARS FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years is set out on page 146 of this annual report. This summary does not form part of the Consolidated Financial Statements.

EQUITY-LINKED AGREEMENTS

Other than the Prospectus and the share option scheme of the Company (as defined below), no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year or subsisted at the end of the Year and up to the date of this report.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the Year and up to the date of this report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the Year attributable to the Group's major suppliers and customers are as follows:

Purchases	
— the largest supplier	38.7%
— five largest suppliers in aggregate	100.0%
Sales	
— the largest customer	11.0%
— five largest customers in aggregate	41.0%

During the Year, none of our Directors, their close associates, or any shareholders of the Company who or which, to the knowledge of our Directors, owned more than 5% of the issued Shares of our Company, had any interest in any of the five largest customers of the Group.

DIRECTORS

The Directors of the Company who held office during the Year and up to the date of this report were:

Non-executive Director

Mr. Kwan Tek Sian (*Chairman*)

Executive Directors

Mr. Lim Su I

Mr. Paulino Lim

Mr. Yang Tien-Lee

Independent Non-executive Directors

Mr. Law Sung Ching Gavin

Ms. Chu Wei Ning

Mr. Ng Ming Hon

REPORT OF THE DIRECTORS

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years, which may be terminated by not less than three months' notice in writing served by either party on the other.

The non-executive Director and each of the independent non-executive Directors has signed an appointment letter with the Company with an initial term of three years, which may be terminated by not less than three months' notice in writing served by either party on the other.

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

In accordance with Article 112 of Company's Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting 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.

In accordance with the Article 108(a) of Company's Articles of Association, at each annual general meeting, one-third of the Directors for the time being and any Director appointed pursuant to Article 111 since the then most recent annual general meeting shall retire from office by rotation.

Accordingly, Mr. Lim Su I, Mr. Ng Ming Hon and Mr. Law Sung Ching Gavin shall retire from office at the forthcoming annual general meeting to be held on 11 November 2026 (the "AGM"). All of the retired directors, being eligible, offer themselves for re-election, at the AGM.

Apart from the foregoing, no Director proposed for re-election at the AGM has a service contract/appointment letter which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

CONFIRMATION ON INDEPENDENCE

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management of the Group are set out in the section headed "Biographical Details of the Directors of the Company and Senior Management" on pages 17 to 20 of this annual report.

CHANGES OF DIRECTORS' INFORMATION

The Company is not aware of other change in the directors' information which are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the publication of interim report for the six months ended 31 December 2025 of the Company.

REPORT OF THE DIRECTORS

PERMITTED INDEMNITY PROVISIONS

Pursuant to Article 191 of the Articles of Association of the Company, the Directors, managing directors, alternate Directors, auditors, secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain 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, except such (if any) as they shall incur or sustain through their own fraud or dishonesty, and none of them shall be answerable for the acts, receipts, neglects or defaults of any other of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may arise in the execution of their respective offices or trusts, or in relation thereto, except as the same shall happen by or through their own fraud, dishonest, or recklessness. The Company may take out and pay the premium and other moneys for the maintenance of insurance, bonds and other instruments for the benefit either of the Company or the Directors (and/or other officers) or any of them to indemnify the Company and/or Directors (and/or other officers) named therein for this purpose against any loss, damage, liability and claim which they may suffer or sustain in connection with any breach by the Directors (and/or other officers) or any of them of their duties to the Company.

Such provision was in force during the Year and up to the date of this report. In addition, the Company has also maintained Directors' and officers' liability insurance throughout the year, which provides appropriate cover for the Directors and officers of the Group.

DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

The Directors' emoluments, which are determined by reference to market terms, seniority, his experiences, duties and responsibilities, are subject to shareholders' approval at annual general meeting.

Details of the Directors' emoluments and five highest paid individuals are set out in note 6 to the Consolidated Financial Statements.

EMOLUMENT POLICY

The remuneration policy for our Directors and senior management was based on their experience, level of responsibility and general market conditions. Furthermore, for discretionary bonus to our Directors, our Remuneration Committee will assess performance of each executive Director and determine the terms of the specific bonus package of each executive Director and approve performance-based discretionary bonus, with reference to a number of corporate goals and objectives, including but not limited to, operating results, individual performance, market condition, profitability, overall net profit, working capital sufficiency and future payment obligations of the Group.

A remuneration committee was set up by the Board to develop the Group's remuneration policy and structure for remuneration of the directors and senior management of the Group.

RELATED PARTIES TRANSACTIONS

Details of the related party transactions undertaken in the normal course of business are set out in note 25 to the Consolidated Financial Statements. None of them constitutes a disclosable connected transaction pursuant to Chapter 20 of the GEM Listing Rules.

REPORT OF THE DIRECTORS

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Save as disclosed above and the service contract/appointment letter with the Directors, no other transactions, arrangements or contracts that is significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had, directly or indirectly, a material interest subsisted at the end of the Year or at any time during the Year and up to the date of this report.

NON-COMPETE UNDERTAKING

Each of Kin Sun Creative Company Limited and Mr. Kwan Tek Sian has jointly and severally, irrevocably and unconditionally, undertaken to the Company that he/it shall not, and he/it shall procure that none of his/its respective close associates and/or persons and companies controlled by them (other than members the Group) shall not, except through his or its interests in the Company, whether as principal or agent and whether undertaken directly or indirectly through any person, body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, participate, acquire or hold any right or interest or otherwise be interested, involved or engaged in or concerned with, directly or indirectly, any business which is in any respect in competition with or similar to or is likely to be in competition with the business within any of the territories within Hong Kong or any of the territories where any member of the Group carries and/or will carry on business from time to time upon listing of the Company.

Mr. Yang Tien-Lee has also irrevocably and unconditionally, undertaken to our Company that he shall not and he shall procure that none of his close associates and/or persons and companies controlled by Mr. Yang shall not, except through his interests in the Company, whether as principal or agent and whether undertaken directly or indirectly through any person, body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, participate, acquire or hold any right or interest or otherwise be interested, involved or engaged in or concerned with, directly or indirectly, any business which is in any respect in competition with or similar to or is likely to be in competition with the business of the Group within Hong Kong upon listing of the Company.

Pursuant to their respective undertakings, each of them is required to make an annual declaration on compliance with his/its non-competition undertakings for the relevant financial year in the Company's annual report.

For the Year, each of Kin Sun Creative Company Limited, Mr. Kwan Tek Sian and Mr. Yang Tien-Lee confirmed their compliance with the terms of non-competition undertaking.

The independent non-executive Directors reviewed their respective confirmation and confirmed each of them has complied with the non-competition undertaking in accordance with its terms.

CONFLICT OF INTERESTS

Saved as disclosed above, during the Year and up to the date of this report, none of the directors, the substantial shareholders or the management shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict of interests with the Group.

SHARE OPTION SCHEME

The Company has conditionally adopted the share option scheme (“Share Option Scheme”), which was approved by written resolutions passed by the Shareholders on 19 June 2018 and became unconditional on 12 July 2018. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

The purpose of the Share Option Scheme is to provide an incentive or reward for any full-time or part-time employees, consultants or potential employees, consultants, executives or officers (including executive, non-executive and independent non-executive directors) of our Company or its subsidiaries, and any suppliers, customers, consultants, agents and advisers for their contribution or potential contribution to the Company and/or any of its subsidiaries.

The Share Option Scheme shall be valid and effective for a period commencing from the date on which the Share Option Scheme was conditionally adopted by an ordinary resolution of the Shareholders of our Company and ending on the tenth anniversary of the Listing Date (both dates inclusive), after which time no further option will be granted.

As at 30 June 2026 and up to the date of this report, there was no option outstanding, granted, cancelled, exercised or lapsed.

Details of the principal terms of the Share Option Scheme are set out in paragraph headed “D. Share Option Scheme” in section headed “Statutory and General Information” in Appendix IV to the prospectus of the Company dated 28 June 2018.

Apart from the aforesaid Share Option Schemes, at no time during the Year was the Company or any associated corporation a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercise any such rights.

DIRECTORS AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, none of the Directors and the chief executives of the Company had any interested in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, or the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) relating to securities transactions by our Directors to be notified to our Company and the Stock Exchange.

REPORT OF THE DIRECTORS

As at 30 June 2026, the interests or short positions of Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, or the Model Code were as follows:

(I) Long Position in the Ordinary Shares and Underlying Shares of the Company

(i) Interests in the Company

Interests in ordinary shares

Name of Director	Capacity	Number of shares held	% of the Company's issued voting shares
Mr. Kwan Tek Sian	Interest in a controlled corporation	20,708	0.0%
Mr. Lim Su I	Beneficial owner	227,530,732	28.4%
Mr. Paulino Lim	Beneficial owner	69,815,610	8.7%
Mr. Yang Tien-Lee	Beneficial owner	64,390,244	8.0%

(ii) Interests in the associated corporation

Name of Director	Name of associated corporation	Number of shares held	% of the Company's issued voting shares
Mr. Kwan Tek Sian	Kin Sun Creative Company Limited	10,000	100.0%

Save as disclosed above, as at the date of this report, none of the directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and 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 the standards of dealing by Directors as referred to in Rule 5.48 to 5.67 of the GEM Listing Rules, or the Model Code.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, there was no interest in the Shares and underlying Shares of the Company which were required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, immediately following completion of the capitalisation issue and the share offer, as at the date of this report, the following persons/entities have an interest or a short position in the Shares or the underlying Shares which were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, were as follows:

Long position in the ordinary shares and underlying shares of the Company

Name of shareholders	Capacity	Number of shares held	% of the Company's issued voting shares
Mr. Lim Su I <i>Note 1</i>	Beneficial owner	227,530,732	28.4%
Mr. Yang Tien-Lee	Beneficial owner	64,390,244	8.0%
Mr. Wang Wann-Bao	Beneficial owner	51,230,244	6.4%
Mr. Paulino Lim <i>Note 1</i>	Beneficial owner	69,815,610	8.7%
Ms. Chiu Yin Mei <i>Note 2</i>	Beneficial owner	40,975,610	5.1%
Ms. Chan Ching <i>Note 3</i>	Interest of spouse	227,530,732	28.4%
Ms. Liu Li Wen <i>Note 4</i>	Interest of spouse	64,390,244	8.0%
Ms. Wang Yu-Ju <i>Note 5</i>	Interest of spouse	51,230,244	6.4%
Ms. Ng Pei Ying <i>Note 6</i>	Interest of spouse	69,815,610	8.7%

REPORT OF THE DIRECTORS

Notes:

1. Mr. Lim Su I and Mr. Paulino Lim are siblings.
2. Ms. Chiu Yin Mei is our administration manager.
3. Ms. Chan Ching, spouse of Mr. Lim Su I, is deemed, or taken to be, interested in 227,530,732 Shares in which Mr. Lim Su I is interested for the purposes of the SFO.
4. Ms. Liu Li Wen, spouse of Mr. Yang Tien-Lee, is deemed, or taken to be interested in 64,390,244 Shares in which Mr. Yang is interested for the purposes of the SFO.
5. Ms. Wang Yu-Ju, spouse of Mr. Wang Wann-Bao, is deemed, or taken to be interested in 51,230,244 Shares in which Mr. Wang is interested for the purposes of the SFO.
6. Ms. Ng Pei Ying, spouse of Mr. Paulino Lim, is deemed, or taken to be, interested in 69,815,610 Shares in which Mr. Paulino Lim is interested for the purposes of the SFO.

Save as disclosed above, as at the date of this report, the Company had not been notified by any persons (other than directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on information that is publicly available to the Company and within the knowledge of the directors of the Company, the Company has maintained the prescribed public float under the GEM Listing Rules of at least 25% of the Company's total number of issued shares which was held by the public.

CORPORATE GOVERNANCE REPORT

Details of the Group's corporate governance practices are set out in section headed "Corporate Governance Report" on pages 34 to 48 in this annual report.

ANNUAL GENERAL MEETING ("AGM")

The AGM will be held on 11 November 2026 (Wednesday) and the notice convening such meeting will be published and despatched to the shareholders of the Company in due course.

REPORT OF THE DIRECTORS

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from 4 November 2026 (Wednesday) to 11 November 2026 (Wednesday) (both days inclusive), during which period no transfers of shares will be registered. To determine the entitlement to attend and vote at the AGM of the Company, all transfer document, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrars in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 3 November 2026 (Tuesday).

AUDITOR

The Consolidated Financial Statements for the year ended 30 June 2026 have been audited by Baker Tilly Hong Kong Limited and there has been no change in the Company's auditor for the preceding three years. Baker Tilly Hong Kong Limited will retire and, being eligible, offer themselves for re-appointment. A resolution to re-appoint the retiring auditors is to be proposed at the AGM.

By order of the Board

BOSA Technology Holdings Limited

Lim Su I

Chief Executive Officer and Executive Director

Hong Kong, 24 September 2026

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

The Board and the management of the Company are committed to maintain a high degree of corporate governance and transparency for the benefit of all its stakeholders. The Company's corporate governance practices are based on the principles and code provisions as set out in the corporate governance codes (the "CG Code") as contained in Appendix C1 (formerly Appendix 15) to the GEM Listing Rules.

During the year ended 30 June 2026 (the "Year"), the Company has applied the principles and complied with the code provisions set out in the CG Code except for the deviation from Code provision as stated and explained below.

Code provision D.1.2 provides that management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 5.01 and Chapter 17 of the GEM Listing Rules. Although the management of the Company did not provide a regular monthly update to the members of the Board, the management keeps providing information and updates to the members of the Board as and when appropriates.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the directors, its employees, and the directors and employees of its subsidiaries and holding companies, who may likely possess inside information on the Company or its securities, 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. Having made specific enquiry of all Directors, saved as disclosed below, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company from the Listing Date to the date of this report.

THE BOARD OF DIRECTORS

Responsibilities

The Board assumes responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs. The management are delegated the authority and responsibilities by the Board for the day-to-day management and operation of the Company. The delegated functions and work tasks are reviewed by the Board periodically.

CORPORATE GOVERNANCE REPORT

The Board is accountable to shareholders for the Company's performance and activities. While the Board is primarily overseeing and managing the Company's affairs, the Chairman of the Board is primarily responsible for overall corporate strategies and development of the Group. The executive Directors constituting the senior management of the Company are delegated with responsibilities in the day-to-day management of the Company and make operational and business decisions within the control of and delegation framework of the Company. The independent non-executive Directors contribute valuable views and proposals for the Board's deliberation and decisions.

Other matters reserved for the Board include consideration of dividend policy, approval of major investments, maintenance of an adequate system of internal controls and review of the corporate governance practices of the Group. Daily operations and administration are delegated to management teams.

Composition

The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision making.

The Board currently comprises seven Directors, of whom three are executive Directors, one is non-executive Director, and three are independent non-executive Directors. The composition of the Board is as follows:

Non-executive Director

Mr. Kwan Tek Sian (*Chairman*)

Executive Directors

Mr. Lim Su I

Mr. Paulino Lim

Mr. Yang Tien-Lee

Independent Non-executive Directors

Mr. Law Sung Ching Gavin

Ms. Chu Wei Ning

Mr. Ng Ming Hon

The relationship among members of the Board and biographical details and responsibilities of the Directors as well as the senior management are set out in the section headed "Biographical Details of the Directors of the Company and Senior Management" on pages 17 to 20 of this annual report. The updated list of Directors and their role and function are published at the Stock Exchange website and the Company's website at www.hklistco.com/8140.

Save as disclosed in the section headed "Biographical Details of the Directors of the Company and Senior Management" of this annual report, the Directors have no other financial, business, family or other material/relevant relationships with each other.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer of the Company are separated. Mr. Kwan Tek Sian is the non-executive Chairman of the Board. The primary role of the Chairman is to be responsible for overall corporate strategies and development of the Group. Mr. Lim Su I is the Chief Executive Officer of the Company. He is responsible for sales and marketing, monitors inventory level on a regular basis and places orders for couplers when he deems appropriate after considering customers' demand, project progress and other essential factors.

CORPORATE GOVERNANCE REPORT

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one of them possessing appropriate professional qualifications, accounting or related financial management expertise. At all times during the Year, the independent non-executive Directors represent at least one-third of the Board pursuant to Rule 5.05A of the GEM Listing Rules.

Prior to their respective appointment, each of the independent non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence and has undertaken to inform the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect their independence.

Confirmation of Independence

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules in respect of their independence for the Year. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines throughout the Year.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board as a whole, with the assistance of nomination committee, is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment of directors and assessing the independence of independent non-executive Directors.

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years, which may be terminated by not less than three months' notice in writing served by either party on the other.

The non-executive Director and each of the independent non-executive Directors has signed an appointment letter with the Company with an initial term of three years, which may be terminated by not less than three months' notice in writing served by either party on the other.

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

In accordance with the 112 of Company's Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. 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.

In accordance with the 108(a) of Company's Articles of Association, at each annual general meeting, one-third of the Directors for the time being and Director appointed to fill casual vacancy or as an additional Director since the most recent annual general meeting, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Such retiring Directors shall be eligible for re-election at the annual general meeting.

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS

The Board is scheduled to meet regularly, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. The Directors make every effort to contribute to the formulation of policy, decision-making and the development of the Group's business.

Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed will not be counted in the quorum of meeting and will abstain from voting on the relevant resolutions.

During the Year, the Company held three board meetings, two audit committee meetings, two remuneration committee meeting and two nomination committee meetings. The Chairman has met with all independent non-executive directors without the presence of the executive directors in compliance with the GEM Listing Rules.

Directors' Attendance at Board/Board Committee/General Meetings

	Board Meeting	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
Total number of meetings held	3	2	2	2	1
Number of Meetings Attended					
<i>Non-Executive Director</i>					
Mr. Kwan Tek Sian	3/3	2/2	N/A	2/2	1/1
<i>Executive Directors</i>					
Mr. Lim Su I	3/3	N/A	N/A	N/A	1/1
Mr. Paulino Lim	2/3	N/A	1/2	N/A	1/1
Mr. Yang Tien-Lee	3/3	N/A	N/A	N/A	1/1
<i>Independent Non-executive Directors</i>					
Mr. Law Sung Ching Gavin	3/3	2/2	2/2	2/2	1/1
Ms. Chu Wei Ning	3/3	N/A	N/A	N/A	1/1
Mr. Ng Ming Hon	3/3	2/2	2/2	2/2	1/1

CORPORATE GOVERNANCE REPORT

Practices and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to all directors in advance. Notices of regular meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given. All Directors are consulted to include additional matters in the agenda for such meetings.

Board paper together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep them apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. Queries raised by directors shall receive a prompt and full response by the management.

At the annual general meeting, the Chairman as well as chairmen of the nomination committee, remuneration committee and audit committee or, in their absence, other members of the respective committees shall attend to answer questions from shareholders at the annual general meeting.

Directors have access to the advice and services of the Company Secretary with a view to ensuring that board procedures, and all applicable rules and regulations, are followed.

The company secretary of the Company is responsible to take and keep minutes of all Board meetings and committee meetings. Both draft and final versions of the minutes will be sent to all Directors for their comment and records. Minutes of board and board committee meetings are kept by the Company Secretary and such minutes are open for inspection at any reasonable time on reasonable prior notice by any Director.

According to the current Board practice, any material transaction, which involves a conflict of interest for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. Upon reasonable request, the Company should provide separate independent professional advice to directors to assist them to discharge their duties in the appropriate circumstance.

Procedure for Seeking Independent Professional Advice by Directors

The Company has agreed to provide separate independent professional advice and sufficient resources to Directors and all Board Committees to assist them to discharge their duties in compliance with the GEM Listing Rules and CG Code. The Company will develop written procedures to enable Directors and members of all Board Committees, upon reasonable request, to seek and be provided with independent professional advice in appropriate circumstances, at the Company's expense.

The Company has subscribed an insurance policy with an aim to indemnify its Directors and senior management from any losses, damages, liabilities and expenses arising from, including but not limited to, any proceedings brought against them during the performance of their duties pursuant to their respective services agreements entered into with the Company.

CORPORATE GOVERNANCE REPORT

Training and Continuous Professional Development of Directors

Arrangements have been made to provide each new director a comprehensive, formal and tailored induction on the first occasion of his appointment and continuing briefing and professional development when necessary.

Each newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

The Directors have also been informed of the requirement under Code Provision C.1.4 of the CG Code as set out in Appendix C1 to the GEM Listing Rules regarding continuous professional development.

For the Year, regulatory updates have been provided and sent to all the Directors, include briefing by the external auditor on changes or amendments to accounting standards at the Audit committee meetings and update by the Company Secretary on proposed amendments to the GEM Listing Rules from time to time.

The Company shall from time to time arrange for relevant and appropriate continuous professional training to all Directors to develop and refresh their knowledge and skills to enable them to be better discharge their duties as a Director of the Company.

During the year ended 30 June 2026, the Directors have complied with the code provision C.1.4. of the CG Code on participation in continuous professional training as follows:

Directors	Type of training	
	Attending seminars/conferences/forums and/or training courses	Reading materials provided by the Company or external parties
Non-Executive Director:		
Mr. Kwan Tek Sian	✓	✓
Executive Directors:		
Mr. Lim Su I	✓	✓
Mr. Paulino Lim	✓	✓
Mr. Yang Tien-Lee	✓	✓
Independent Non-Executive Directors:		
Mr. Law Sung Ching Gavin	✓	✓
Ms. Chu Wei Ning	✓	✓
Mr. Ng Ming Hon	✓	✓

Note: These seminars/conferences/forums/training courses/materials are related to regulatory development/updates, directors' duties, corporate governance or other relevant topics.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various board committees which have been established by the Board to deal with different aspects of the Company's affairs.

Audit Committee

The Company established an audit committee pursuant to a resolution of our Directors passed on 19 June 2018 in compliance with Rule 5.28 to Rule 5.33 of the GEM Listing Rules. Written terms of reference in compliance with paragraphs D.3.3 and D3.7 of the CG Code as set out in Appendix C1 to the GEM Listing Rules has been adopted. The terms of reference of the audit committee are available on the websites of the Company and the Stock Exchange.

The primary duties of the audit committee are mainly, among other things, to make recommendation to the Board on the appointment and removal of external auditor, review the financial statements and material advice in respect of financial reporting and oversee risk management and internal control procedures of our Company.

The composition of the audit committee up to the date of this report is as follows:

Mr. Ng Ming Hon (*Chairman*)
Mr. Kwan Tek Sian
Mr. Law Sung Ching Gavin

The majority members of the members of the audit committee are independent non-executive Directors. None of them is a former partner of the Company's existing auditing firm. Mr. Ng Ming Hon, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the audit committee.

The Audit Committee has reviewed the Group's audited annual results for the year ended 30 June 2026 and has provided advice and comments thereon.

During the Year, the audit committee held two meetings. Details of the attendance of the members of the audit committee are set out under "Directors' attendance at Board/Board Committee/General Meetings" above.

The summary of work of the audit committee meeting during the Year is as follows:

- To meet with the external auditors, review and make recommendations to the Board for approving the annual financial statement of the Group;
- To review and approved audit fee;
- To review the terms of engagement and make recommendation to the Board for the re-appointment of auditors of the Company, subject to the shareholders' approval at the annual general meeting;

CORPORATE GOVERNANCE REPORT

- To review the effectiveness of the Company's risk management and internal control systems; and
- To review the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

The audit committee has not taken a different view from the Board regarding the selection and re-appointment of external auditor.

Remuneration Committee

The Company established a remuneration committee pursuant to a resolution of our Directors passed on 19 June 2018 in compliance with Rule 5.34 of the GEM Listing Rules. Written terms of reference in compliance with paragraph E.1.2 of the CG Code as set out in Appendix C1 to the GEM Listing Rules has been adopted. The terms of reference of the remuneration committee are available on the websites of the Company and the Stock Exchange.

The primary duties of the remuneration committee are mainly, among other things, to determine, with delegated responsibility, the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on the remuneration of independent non-executive Directors. The Board expects the remuneration committee to exercise independent judgment and ensures that executive Directors do not participate in the determination of their own remuneration.

The composition of the remuneration committee up to the date of this report is as follows:

Mr. Law Sung Ching Gavin (*Chairman*)
Mr. Paulino Lim
Mr. Ng Ming Hon

The remuneration committee is chaired by an independent non-executive Director and majority members of the remuneration committee are also independent non-executive Directors. The remuneration committee held one meeting during the Year. Details of the attendance of the members of the remuneration committee are set out under "Directors' attendance at Board/Board Committee/General Meetings" at above.

The summary of work of the remuneration committee meeting is as follows:

- To review and recommend to the Board on the Group's remuneration policy and strategy;
- To review and recommend to the Board on the remuneration packages of the executive Directors and senior management of the Company; and
- To review and recommend to the Board on the Directors' fees of independent non-executive Directors.

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Company established a nomination committee pursuant to a resolution of our Directors passed on 19 June 2018. Written terms of reference in compliance with paragraph B.3.2 of the CG code as set out in Appendix C1 to the GEM Listing Rules has been adopted. The terms of reference of the nomination committee are available on the websites of the Company and the Stock Exchange.

The primary duties of the nomination committee are to review the structure, size and composition of the Board, assess independence of independent non-executive Directors and make recommendations to the Board on appointment of the Directors and succession planning for the Directors.

The composition of the nomination committee up to the date of this report is as follows:

Mr. Kwan Tek Sian (*Chairman*)
Mr. Ng Ming Hon
Ms. Chu Wei Ning

The nomination committee is chaired by the Chairman of the Board and majority members of the nomination committee are also independent non-executive Directors. The nomination committee held two meeting during the Year. Details of the attendance of the members of the nomination committee are set out under “Directors’ attendance at Board/Board Committee/General Meetings” at above.

The summary of work of the nomination committee held is as follows:

- To review the existing Board’s structure, size and composition;
- To review and assess the independence of the independent non-executive Directors;
- To make recommendations on the retiring Directors of the Company; and
- To review the nomination policy.

Board diversity policy

The Company recognises the benefits of having diversity in the composition of the Board and adopted its own board diversity policy.

The Company noted that people from different backgrounds and with different professional and life experience are likely to approach problems in different ways and accordingly, members of the Board with diverse backgrounds will bring different concerns and questions to the table, and allow the Board to consider a wider range of options and solutions when deciding on corporate issues and formulating policies for the Group.

In determining the Board’s composition and selection of candidates to the Board, factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, industry knowledge and length of service will be considered. All Board appointments will be based on meritocracy, and candidates will be considered against the selection criteria, having regard for the benefits of diversity on the Board, the business model and specific needs of the Group. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board with reference to the prescribed and available policies of the Group.

CORPORATE GOVERNANCE REPORT

The nomination committee has monitored the implementation of the board diversity policy since its adoption, and also reviewed it regularly the implementation of the Board Diversity Policy to ensure its effectiveness and concluded that no revision to the policy is required.

As at the date of this annual report, the Board comprises seven Directors, one of whom is female. As such, the Board has achieved gender diversity in respect of the Board. As at the date of this report, the diversity of Board's composition was summarized as follow:

Designation	Gender	Nationality	Age	Length of service on board	Expertise
ED (3)	Female (1)	Australian (3)	60-69 years old (2)	8 years (5)	Corporate Management & Operation (1)
	Male (6)		50-59 years old (5)		Construction(1)
Engineering (1)					
NED (1)		Entrepreneur (1)			
INED (3)		Venture Capital Investment (1)			
		Taiwanese (1)		7 years (1)	Finance (2)
5 years (1)					

() = Number of Directors

ED: Executive Director

NED: Non-executive Director

INED: Independent Non-executive Director

We will continue to strive to enhance female representation over time as and when suitable candidates are identified and achieve an appropriate balance of gender diversity with reference to the shareholders' expectation and international and local recommended best practices.

As at 30 June 2026, the gender ratio in the workforce (including senior management) of the Company of female and male, was 20% and 80%, which the Board considers to reflect that a gender equality principle has been adhered to by the Group. The Board has not identified any challenges in maintaining gender diversity in the workforce so far.

Board Nomination Policy

The Company adopted a nomination policy in compliance with the CG Code. The Nomination policy provides written guidelines regarding selection criteria and procedures for nominating suitable candidates for appointment as a new director of the Company or to fill a vacancy.

Board Nomination Process and Selection Criteria

When searching candidates for directorship, the nomination committee utilises various methods for identifying director candidates, including recommendations from Board members, management and professional referrals. In assessing the suitability of a proposed candidate, the Nomination Committee will take into account of criteria including, diversity of knowledge and experiences, qualifications, integrity, commitment in respect of available time and relevant interest and benefit to the Board diversity. For independent non-executive director, the candidate must also satisfy the independence requirements as set out under any applicable laws, rules and regulations.

The Company shall review and reassess the nomination policy and its effectiveness on a regular basis or as required.

CORPORATE GOVERNANCE REPORT

Corporate Governance Function

No corporate governance committee has been established and the Board has reviewed the corporate governance practices of the Company with reference to the CG Code as set out in Appendix C1 to the GEM Listing Rules. The summary of their work of is as follows:

- To review the Company's policies and practices on corporate governance and make recommendations;
- To review and monitor the training and continuous professional development of Directors and senior management of the Group;
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- To develop, review and monitor the code of conduct and compliance manual applicable to employees of the Group and the Directors; and
- To review the Company's compliance with CG Code and disclosure in the corporate governance report.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for presenting a balanced, clear and understandable assessment of financial reports, price-sensitive announcements and other disclosures required under the GEM Listing Rules and other regulatory requirements.

The Board acknowledges its responsibility for the preparation of the Consolidated Financial Statements for the Year which gives a true and fair view of the state of affairs of the Group in accordance with the statutory requirements and accounting standards and other financial disclosure requirement under the GEM Listing Rules. The financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the auditors about their reporting responsibilities is set out in the "Independent Auditors' Report" of the Consolidated Financial Statements.

External Auditors' Remuneration

During the Year, the Company engaged Baker Tilly Hong Kong Limited as the external auditors. The fee in respect of audit services and non-audit services provided by Baker Tilly Hong Kong Limited and its affiliates for the year ended 30 June 2026 amounted to approximately HK\$0.51 million and approximately HK\$0.02 million (which includes professional services for Hong Kong profits tax filing), respectively.

The audit committee has expressed its views to the Board that the level of fees paid/payable to the Company to the Company's external auditors for annual audit services is reasonable. There has been no major disagreement between the auditors and the management of the Company during the Year.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board is accountable for overseeing the Group's risk management and internal control systems and reviewing its effectiveness annually, while the management is responsible for implementing and maintaining the internal controls systems that covers strategic risk, compliance risk, risk management, financial and operational controls to safeguard the Group's assets and stakeholders' interests. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Procedures are in place to identify major business risks and evaluate potential financial implications.

During the Year, the audit committee of the Company, through the engagement of an internal control advisor (the "IC Advisor"), reviewed the adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance and strategic risks. The IC Advisor reported to the audit committee that they have identified and evaluated the internal control and risk management mechanism of the Group and concluded that no significant deficiencies were identified and various recommendations had been made to audit committee and management for their consideration for the purpose on improvement on the risk management and control systems of the Group.

Based on the review of internal control and risk management of the Group by the IC Advisor, audit committee reported such findings and recommendations for the improvement of the risk management and internal control systems to the Board and the Board considered that all recommendations should be properly followed to ensure the sound and effectiveness of the risk and internal control systems of the Group can be maintained.

The Board and the audit committee admitted that through the internal control and risk management of the Group, which can evaluate and improve its effectiveness, and the Board, with the concurrence of the audit committee, considered that such systems including financial, operational and compliance were effective and adequate for the Year based on the work performed and report prepared by the IC Advisor. The Group will conduct a review on its risk management and internal control system annually.

Risk Management and Internal Control Systems Review

Internal Audit

During the Year, the Company had appointed the IC Advisor to perform internal audit function for the Group. The IC Advisor conducted its internal audit review activities according to the endorsed internal audit plan during the Year and reported the internal audit findings and recommendations to both the audit committee and the management of the Group. The management of the Group agreed on the internal audit findings and adopted the recommendations by the IC Advisor accordingly.

Inside Information

The Group has adopted and implemented its own disclosure policy aiming to provide a general guide to the directors and senior management of the Company in handling of confidential information and/or monitoring of information disclosure pursuant to applicable laws and regulations in compliance with the Listing Rules and Securities and Futures Ordinance ("SFO").

CORPORATE GOVERNANCE REPORT

The disclosure policy provides the procedures and internal controls for the handling and dissemination of inside information by publication of the announcement to the websites of the Stock Exchange and the Company on a timely basis to enable the public, namely shareholders, institutional investors, potential investors and other stakeholders of the Company to access the latest information of the Group, unless such information fall within the safe harbours with the SFO. The management has notified all employees to comply with the disclosure policy. Briefing and training on the implementation of the policy have been provided to Directors, officers and senior management of the Group. The Board emphasises that only the authorised representatives registered in the Stock Exchange are authorised to speak on behalf of the Company.

NON-COMPETITION UNDERTAKING

Each of Kin Sun Creative Company Limited, Mr. Kwan Tek Sian and Mr. Yang Tien-Lee confirmed their compliance with the terms of non-competition undertaking for the year ended 30 June 2026.

The independent non-executive Directors reviewed their respective confirmation and confirmed each of them has complied with the non-competition undertaking in accordance with its terms for the year ended 30 June 2026.

COMPANY SECRETARY

The Company appointed Ms. Lam Yuen Man Maria (“Ms. Lam”), an external service provider, as its company secretary. Mr. Lim Su I, an executive Director is the primary contact person to Ms. Lam at the Company in respect of any compliance and company secretarial matters of the Company. The biographical details of Ms. Lam are set out under the section headed “Biographical Details of Directors of the Company and Senior Management” of this annual report.

During the Year, Ms. Lam undertook not less than 15 hours of relevant professional training to comply with Rule 5.15 of GEM Listing Rules.

DIVIDEND POLICY

The declaration and payment of dividends shall be determined by the Board and subject to all the applicable requirements under, including but not limited to, the Companies Law of the Cayman Islands and the articles of association of the Company.

The Company does not have any predetermined dividend pay-out ratio. In deciding whether to propose a dividend and in determining an appropriate basis for dividend distribution, the Board will take into account, among others, the general financial condition of the Group, the capital and debt level of the Group, the future cash requirements and availability for business operations, business strategies and future development needs, the general market conditions and any other factors that the Board deems appropriate.

The Board will continually review the Dividend Policy from time to time. There is no guarantee that any particular amount of dividends will be distributed for any given periods.

CONSTITUTIONAL DOCUMENTS

During the Year and up to the publication of this report, the Company’s constitutional documents have not been amended.

SHAREHOLDERS' RIGHTS

The Way by Which Shareholders Can Convene Extraordinary General Meeting (“EGM”)/Put Forward Proposal

According to Article 64 of the Articles of Association of the Company, extraordinary general meetings shall also be convened on the requisition of 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 (on a one vote per share basis) having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Article 113 of the Articles of Association provides that no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration office. The period for lodgment of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

Accordingly, if a member of the Company wishes to qualified to attend and vote a Director for election as a Director at the Company's general meeting (“Proposal”), he/she should lodge a written notice setting out the Proposal and his/her contact details to the head office and principal place of business of the Company.

The relevant procedures are published on the Company's website at www.hklistco.com/8140.

The Procedures for Sending Enquiries to the Board

Shareholders may send their enquiries and concerns in writing to the Board by addressing them to the Company at our principal place of business in Hong Kong or by email through the Company's website.

Communication with Shareholders and Investors

The Company endeavors to maintain effective communications with the shareholders and potential investors of the Company.

Save as mentioned under the sub-heading “The Procedures for Sending Enquiries to the Board” at above, in order to provide more relevant information to our shareholders, the Company has published all corporate information about the Group on its website at www.hklistco.com/8140 . It is a channel of the Company to communicate with the shareholders and potential investors with our latest corporate development. All our corporate communications, such as statutory announcement, circular and financial reports are available on the website for easy access by the shareholders and potential investors. In addition, the Company meets its shareholders at the annual general meeting so as to promote the development of the Company through mutual and efficient communications.

CORPORATE GOVERNANCE REPORT

The forthcoming annual general meeting of the Company is scheduled to be held on 11 November 2026. At the annual general meeting, the chairman of the Board as well as chairmen of the nomination committee, remuneration committee and audit committee or, in their absence, other members of the respective committees shall attend to answer questions from shareholders at the annual general meeting. The representatives of the external auditors shall also present and available to answer questions at the meeting.

The notice of annual general meeting and the necessary information on issues to be considered in the annual general meeting will be set out in the circular to be dispatched to the shareholders of the Company in due course.

Hong Kong, 24 September 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPROACH

BOSA Technology Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”, “we” or “our”) are committed to offering mechanical splicing services of the highest quality. With its position as one of the largest providers of mechanical splicing services to the reinforced concrete construction industry in Hong Kong, it is dedicated to creating long-term stakeholder value that focuses on integrating environmental, social and governance (the “ESG”) considerations into the Group’s business operation and practices.

The Group recognises its responsibility to be accountable to all its stakeholders, including its customers, shareholders/investors, employees, suppliers, government, media & public, the Hong Kong Stock Exchange (the “HKEX”), and community, etc. Understanding the needs and expectations of the stakeholders is the key to the Group’s success. As each stakeholder requires a different engagement approach in the Group, a designated communication channel has been established to meet each stakeholder’s expectations better.

In the context of rapid technological change and an ever-changing business environment, we emphasize surveillance-related risks and exploring opportunities throughout the Group. We are committed to maintaining a balance between business needs, societal concerns, and environmental impacts, so we continuously identify the risks and opportunities that arise in our day-to-day business operations. We embrace a responsible corporate culture to ensure that our sustainability strategies are effectively communicated to employees, customers, the surrounding communities, and other stakeholders to maintain a steady balance on the social, environmental, and economic systems.

To implement sustainability strategies that apply to all levels of the Group, the top-down approach is adopted for the following sustainability strategies:

1. To achieve environmental sustainability;
2. To engage with stakeholders;
3. To support our employees; and
4. To sustain local communities.

ABOUT THIS REPORT

The Group is delighted to present its ESG Report (the “Report”). The content herein provides an overview of the ESG performance of its major operations in Hong Kong for the year ended 30 June 2026 (the “Reporting Year” or “2026”). It helps the Group closely monitor its current performance and the opportunities to escalate. The Reporting Year is consistent with its financial year.

The principal activity of the Group is mechanical splicing services. During the Reporting Year, the Group is principally engaged in the provision of two types of reinforcing bars processing services including servisplice services and seisplice services in Hong Kong.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Scope of the Report

This Report has been prepared in accordance with the ESG Reporting Code (the “Reporting Code”) as set out in Appendix C2 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the HKEX. The ESG subject areas, namely environmental social, and climate-related disclosures are disclosed separately, highlighting the impacts of the operations of the Group in Hong Kong for the Reporting Year.

For the Reporting Year, the material ESG issues are those that have or may have a significant impact on:

- The Hong Kong reinforced concrete construction industry;
- The global mechanical splicing service market;
- The environment or society now or in the future;
- Our financial performance or operations; and/or
- Our stakeholders’ assessments, decisions and actions.

The data and information used in this Report are referenced from our archived documents, records, statistics and research. Financial data is extracted from or calculated based on the Group’s audited annual financial statements for 2026.

Reporting Principles

Materiality	Materiality assessments and other viable resources have been used to identify and access material ESG topics and associated risks and opportunities that could significantly impact our investors and other stakeholders. Full details on the materiality assessment are provided in “Materiality Assessment” in this Report.
Quantitative	Historical data and information have been presented quantitatively to ensure the Group’s ESG policies and strategies are implemented effectively and, if applicable, with supporting explanations for their objective and influence, alongside comparable historical data.
Balance	This Report presents a balanced overview of the Group’s ESG management and performance, ensuring the information provided has been disclosed in a fair and impartial manner.
Consistency	Methodologies and formats in this Report remain consistent whenever possible while enabling useful comparisons between ESG data progressively.

Feedback

For details in relation to our financial performance and corporate governance, please visit our website at www.hklistco.com/8140 and our Annual Reports. We also treasure your feedback and comments on our sustainability performance, please send your feedback and other sustainability enquiries to us at (852) 2980 1333 or 8140-ecom@hk.tricorglobal.com.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR STAKEHOLDERS

The Group actively strives to better understand and engage its stakeholders to ensure continuous improvements. We strongly believe that our stakeholders play a crucial role in sustaining the success of our business in this challenging market.

Stakeholders	Key concerns	Communication and responses
HKEX	Compliance with Listing Rules, timely and accurate announcements.	Meetings, training, roadshows, workshops, programs, Company's website updates and announcements.
Government	Compliance with laws and regulations, prevention of tax evasion, and social welfare.	Interaction and visits, government inspections, tax returns and other information.
Suppliers	Payment schedule, stable demand.	Site visits.
Shareholders/Investors	Corporate governance system, business strategies and performance, and investment returns.	Organizing and participating in seminars, interviews, shareholders' meetings, issuing financial reports and/or operation reports for investors, media and analysts.
Media & Public	Corporate governance, environmental protection, and human rights.	Issue of newsletters on the Company's website.
Customers	Product quality, delivery times, reasonable prices, service value, labour protection and work safety.	Site visits, and after-sales services.
Employees	Rights and benefits, employee compensation, training and development, work hours, and working environment.	Training, interviews for employees, employee handbooks, internal memos, and employee suggestion boxes.
Community	Community environment, employment and community development, and social welfare.	Community activities, employee voluntary activities, community welfare subsidies and charitable donations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Governance Structure

The Board has actively assumed responsibility for overseeing and managing ESG-related issues. As part of our commitment to integrating ESG factors into our business practices, we actively mitigate those risky ESG factors that may impact our financial, reputational, and operational performance by establishing and adopting ESG-related strategies and targets. The Group has established an ESG working group consisting of the Chief Executive Officer, the Chief Operating Officer and key personnel from the different business divisions who have professional knowledge and expertise on the Group's business and can initiate sustainability and prepare effective ESG frameworks and strategies for the Group. They are also responsible for identifying, prioritizing, and managing rapid-emerging material ESG issues that may directly impact the Group's business operations and report to the Board regularly. In addition, the Board reviews the Group's performance against the ESG-related targets annually and revises the ESG-related strategies as appropriate if significant deviations are observed from the ESG-related targets.

Materiality Assessment

Our Group believes material ESG issues could significantly impact investors and other stakeholders while providing new opportunities for its business and the surrounding environment. In view of this, we place great emphasis and effort on addressing those concerns with ESG issues raised by our important stakeholders, including but not limited to our customers and employees. We evaluated and identified different significant levels of ESG issues that could potentially impact the Group's business and stakeholders by conducting a materiality assessment and referring to various publicly available sources, including previous ESG reports, internal policies, industry trends, and the Sustainability Accounting Standards Board's Materiality Map. The Group has reviewed its materiality assessment to determine the significance level of the identified ESG issues pertinent to its business and other stakeholders. Following the analysis of the results, the Group found that no material changes have occurred in the main concerns of stakeholders and that the priority of related ESG topics has not changed compared to the previous year. The following are the most material ESG issues that have been identified:

1. Product and Service Responsibility
2. Occupational Health and Safety
3. Labor Standards
4. Development and Training
5. Anti-corruption

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SECTION A: ENVIRONMENTAL

The Group places high importance on maintaining and even enhancing its product and service quality standards to cater to its customers' needs, while upholding social responsibilities towards the community and environment at the same time. As we believe that it represents not just an ethical obligation, but also a gateway to business success. Therefore, we make every effort to integrate sustainability into the core of our business by the implementation of eco-friendly measures to reduce carbon and emission footprints, as well as the related intensity. To present a comprehensive emissions overview, we compared the emission figures and relevant intensities of the Reporting Year to the year ended 30 June 2025 ("2025" or "Last Year").

The Group strictly complies with laws and regulations regarding environmental and resources management, including but not limited to the Air Pollution Control Ordinance, the Waste Disposal Ordinance, and the Water Pollution Control Ordinance of Hong Kong. During the Reporting Year, the Group was not aware of any case of material non-compliance with applicable laws and regulations that could have a significant impact on the Group, such as air emissions and greenhouse gas ("GHG") emissions, water and land discharge, and hazardous and non-hazardous waste production.

Environmental Targets

The Group's steadfast commitment to driving sustainable development is exemplified by its dedication to establishing a comprehensive set of quantitative environmental targets. These targets serve as measurable benchmarks against the Group's future progress and achievements in environmental sustainability. By setting clear and quantifiable objectives, the Group aims to enhance its sustainability initiatives' transparency, accountability, and performance. With these targets in place, the Group is well-positioned to track its environmental progress and make informed decisions that contribute to a more sustainable future.

In alignment with the China Action Plan's objective of achieving "Carbon Emission Peak by 2030" and "Carbon Neutrality by 2060," the Group is committed to actively responding to this national target. To achieve a sustainable, low-carbon future, the Group will bolster its management of material environmental issues and sustainability performance, optimize its business practices, and maintain a monitoring and review process to gauge progress regularly. The subsequent table sheds light on the Group's newly settled environmental targets and the progress made towards their attainment in comparison to the previous targets:

Aspects	Environmental Targets	Progress
Air Emissions	Based on the baseline year of 2022, the Group has established a target to achieve a 10% reduction in NO _x , SO _x , and PM by the year 2030.	Achieve in advance. The Group remains firmly committed to environmental sustainability and will continue to uphold and strengthen appropriate practices to ensure the long-term achievement of our air emission reduction targets. The Group has established a new target for the next reporting period. We are committed to reducing or maintaining the emissions of nitrogen oxides ("NO _x "), sulfur oxides ("SO _x "), and particulate matter ("PM") within a range of 90% to 120% of the levels recorded in our baseline year ended in 2026.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	Environmental Targets	Progress
GHG Emission	Based on the baseline year of 2021, the Group has established a target to achieve a 10% reduction in its total GHG emissions intensity (tCO ₂ e/employee), by the year 2030.	Achieve in advance. The Group remains firmly committed to environmental sustainability and will continue to uphold and strengthen appropriate practices to ensure the long-term achievement of our GHG emissions intensity reduction targets. The Group has established a new target for the next reporting period. We are committed to reducing or maintaining the GHG emissions intensity within a range of 90% to 120% of the levels recorded in our baseline year ended in 2026.
Waste Management	Based on the baseline year of 2022, the Group has established a target to achieve a 10% reduction in its total non-hazardous waste intensity (kg/employee), by the year 2030.	Achieve in advance. The Group remains firmly committed to environmental sustainability and will continue to uphold and strengthen appropriate practices to ensure the long-term achievement of our non-hazardous waste intensity reduction targets. The Group has established a new target for the next reporting period. We are committed to reducing or maintaining the non-hazardous waste intensity within a range of 90% to 120% of the levels recorded in our baseline year ended in 2026.
Water Consumption	Based on the baseline year of 2022, the Group has established a target to achieve a 10% reduction in its total water consumption intensity (cubic meters/employee), by the year 2030.	Fall short. This could be attributed to improvements in the data collection system, more water usage was collected during the Reporting Year. However, the Group remains steadfast in our commitment to environmental sustainability and is actively working towards improving our water management practices.
Energy Consumption	Based on the baseline year of 2022, the Group has established a target to achieve a 10% reduction in its total energy consumption intensity (MWh/employee), by the year 2030.	Achieve in advance. The Group remains firmly committed to environmental sustainability and will continue to uphold and strengthen appropriate practices to ensure the long-term achievement of our energy consumption intensity reduction targets. We are committed to reducing or maintaining the energy consumption intensity within a range of 90% to 120% of the levels recorded in our baseline year ended in 2026.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Emissions

Air Emissions

As the Group's core business activity is the provision of mechanical splicing services, there is no gaseous fuel consumption, neither town gas nor liquefied petroleum gas (the "LPG") produced. The air pollutants are emitted from the usage of motor vehicles for transporting the Board, senior management and employees between our workshops, office and customers' sites.

During the Group's daily operations, the usage of motor vehicles is the major activity that generates air pollutants. The Group faces challenges in comprehensively gathering data on vehicle utilization due to data collection constraints. Moving forward, the Group will focus on improving its data collection system to enhance the overall accuracy of its disclosures. The air emissions from the vehicle usage are as follows:

Indicators	Unit	2026	2025
NOx	kg	23.01	31.62
SOx	kg	0.03	0.05
PM	kg	2.20	3.03

To further reduce the negative impact on the environment, the Group has implemented related environmental policies to reduce the emissions of the relevant air pollutants. All motor vehicles are under frequent and regular checks and maintenance to ensure that no energy inefficiency occurs. All travel routes are planned with the shortest distance.

Waste Management

Due to the business nature, there was no hazardous waste involved in the Group's operations.

The non-hazardous waste generated by the Group primarily consists of inert waste from residual iron fragments produced during reinforcing bar processing and paper waste. The residual iron is routinely recovered and sold to third parties as raw material for reuse, ensuring it does not enter landfill disposal.

Paper waste is the only remaining stream requiring disposal. However, through a comprehensive set of green office initiatives, including the widespread adoption of digital documentation, default double-sided printing, and active promotion of paper reuse, paper waste has been effectively minimized to negligible levels.

These measures reflect the Group's ongoing commitment to resource efficiency and sustainable operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Use of Resources

The Group undertakes to become a resource-saving and environmentally friendly enterprise to promote environmental protection. To reduce carbon emissions, we have taken different initiatives to reduce our usage of resources in our business operations.

Energy Consumption

The electricity consumption of the Group's workshops was the largest contributor to the GHG footprint. The culprit of the substantial electricity consumption was the operations of the machines in workshops for mechanical splicing services, namely cutting machines, CNC crimping machines and CNC threading machines, which were driven by electricity.



Three types of mechanical splicing machines are located in workshops

Indicators ¹	Unit	2026	2025
Direct energy consumption			
— Petrol	MWh	19.19	26.50
Indirect energy consumption			
— Purchased electricity	MWh	291.96	328.18
Total	MWh	311.15	354.68
Intensity	MWh/employee	7.78	9.59

¹ The calculation of unit conversion refers to the “Energy Statistics Manual” issued by the International Energy Agency; With some of the electricity bills unavailable to be provided, the electricity consumption data was calculated with some missing data excluded.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To further extend our achievement in the future, we have adopted an Energy Conservation Policy with the following measures in office:

1. Prioritizing the use of more energy-efficient products, to reduce overall energy consumption;
2. Setting the temperature of air conditioners at appropriate temperatures;
3. Switching computers that stand idle for at least 20 minutes to power-saving mode;
4. Using natural lighting instead of electrical illumination;
5. Switching off air conditioners, lights, computers, printers, photocopiers and any other electrical appliances if they are not in use or when the last employee leaves the office/workshops; and
6. Switching off all plants, machinery and vehicles when not in use.

The Group has emphasized the essentialness of energy conservation. The Group encourages every employee to participate in energy conservation and management initiatives. In addition, the Group has carried out activities to promote knowledge about energy conservation, to raise the awareness of its employees regarding environmental issues through the above means.

Water Consumption

During the reporting period, the Group did not collect or report quantitative water-consumption data. The Group's operations in Hong Kong are principally engaged in the processing of reinforcing bars through servisplice and seisplice services, which are predominantly mechanical in nature and do not involve water-intensive processes. Accordingly, water use across our facilities is minimal and not considered a material environmental aspect under the Group's materiality assessment. In line with the "comply or explain" approach under the HKEX ESG Reporting Code, the Group has therefore omitted detailed water-consumption disclosure for this reporting year.

The Group will continue to monitor its operational profile and water usage. Should there be any material change in business activities, expansion into water-intensive processes, or operation in water-stressed locations, the Group will establish appropriate measurement systems and disclose water-consumption data and related efficiency targets in future ESG reports.

Since our water sources are from the local government department, there was no water supply issue identified during the Reporting Year.

Packaging Materials

The Group's principal activities are offering mechanical splicing services to the reinforced concrete construction industry. Thus, no significant usage of packaging materials is identified during the Reporting Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Environment and Natural Resources

The Group is committed to the minimization of any adverse impact on the environment resulting from our business operations. The Group believes that the natural environment should not be used to compensate for our business activities. Therefore, alongside the aforementioned aspects, we have established environment and natural resources-related policies and have implemented several ways to monitor closely for further reduction of adverse impacts on the environment.

Noise Control

The Group highlights the significance of noise control management resulting from the use of powered mechanical equipment. The Group abides strictly with the Noise Control Ordinance in which no mechanical splicing work is permitted between 7 p.m. and 7 a.m. on normal weekdays and any time on general holidays without any prior approval. Its directors monitor intently its workshops to comply with environmental laws and regulations.

During the Reporting Year, the Group did not record and is aware of any non-compliance issue with applicable environmental requirements. By integrating environmental considerations into our business strategies, we aim to be an environmentally sustainable business. In the coming years, we will continue promoting GHG emissions reduction, energy and paper resources conservation and efficient use of natural resources. We believe that the above measures not only can raise environmental awareness and reinforce the positive behavioural changes to bring benefits to our financial situation, but they can also be beneficial to future generations. The Group will go forward to achieve better environmental protection results, to be responsible for our promising nature.

Climate-related Disclosure

The Group strives to gradually comply with the enhanced climate-related disclosure requirements under the new ESG Reporting Code. Also, the Group is committed to managing the potential risks and opportunities that may impact its business activities. To this end, the Group has begun to enhance its climate disclosures following the four core pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

Governance

The Board has ultimate responsibility for overseeing ESG and climate-related risks and opportunities. It annually reviews its composition to ensure an appropriate balance of skills and experience on ESG and climate matters, and considers climate-related issues at least annually during Board meetings. Management, delegated by the Board, is responsible for day-to-day oversight of climate-related matters, including periodic review of targets and regular reporting to the Board. At this stage, climate-related performance metrics have not been incorporated into the Group's remuneration policies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group considers climate-related risks and opportunities in its strategy, business planning, operations, and evaluation of major transactions. These are identified through the Group's regular materiality assessment and risk review processes. Consistent with other material risks, the Group applies its existing risk management and internal control procedures to assess and manage climate-related risks and opportunities, with management oversight and regular reporting to the Board.

Risk Type		Risk Description	Potential Financial Impact	Short (0–1year)	Medium (1–5 years)	Mitigation Strategy
Transition Risks	Policy and regulatory	Emerging carbon pricing, carbon tax, or stricter emissions regulations affecting construction activities and supply chain.	Increased operating costs (e.g., higher fuel, energy, or material costs); potential compliance costs or penalties.	Low risk	Medium risk	Monitor regulatory developments in Hong Kong; consider energy-efficient equipment and low-carbon materials where feasible.
	Market	Clients (e.g., developers, main contractors) increasingly require low-carbon construction practices and carbon performance data in tenders.	Risk of losing tenders or reduced pricing power if unable to demonstrate carbon performance; potential revenue impact over medium to long term.	Medium risk	Medium risk	Enhance ESG data collection and reporting; develop capabilities to measure and disclose project-level emissions; highlight energy efficiency and waste reduction measures in tender submissions.
Physical Risks	Acute	Increased frequency and severity of extreme weather events (e.g., typhoons, heavy rain, heatwaves) affecting project sites and operations in Hong Kong.	Project delays, work stoppages, damage to equipment or materials, increased insurance costs, potential liability for delays.	Medium risk	Medium risk	Incorporate weather risk assessments into project planning; adopt flexible scheduling and contingency plans; ensure adequate insurance coverage; implement site safety protocols for extreme weather.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk Type	Risk Description	Potential Financial Impact	Short (0–1year)	Medium (1–5 years)	Mitigation Strategy
Chronic	Rising average temperatures, changes in precipitation patterns, and sea-level rise affecting long-term operations and asset values.	Increased cooling and energy costs; potential impact on worker productivity and health; long-term risk to assets in flood-prone or coastal areas.	Low risk	Medium risk	Monitor climate projections for key operating locations; consider climate resilience in site selection and asset management; invest in heat stress management measures for workers; review long-term asset exposure periodically.
Opportunity Type	Opportunity Description	Time Horizon	Potential financial effects		
Resource efficiency	Adoption of energy-efficient equipment, optimised logistics, and waste reduction measures in splicing operations.	Short- to Long-term	Lower operating costs (energy, fuel, materials); improved margins; potential eligibility for green financing or incentives.		
Low-carbon products and services	Potential to win new contracts, enhance pricing power, and differentiate from competitors; access to ESG-focused clients and projects.	Short- to Long-term	Develop and promote low-carbon service offerings; integrate carbon performance into tender responses; build capabilities in measuring and reducing project emissions.		

Strategy

While the Group's mechanical splicing services are not currently exposed to significant or concentrated climate-related risks and opportunities, it regularly monitors emerging physical and transition risks that could affect its operations, assets, or liabilities, and remains alert to related opportunities such as energy efficiency and sustainable procurement.

Aligned with Hong Kong's climate vision, the Group defines its short to medium-term and long-term horizons as up to 2035 and 2050, respectively. We assess potential exposure to physical risks and transition risks by ensuring these considerations are integrated into its strategic and financial planning.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk Management

The Group is integrating climate-related risks into its enterprise risk management (ERM) framework alongside strategic, financial, and operational risks. Climate-related risks and opportunities are identified through stakeholder engagement, peer benchmarking, and market updates. Management reviews ERM findings annually, assessing impact and likelihood using historical data and information reasonably available during the Reporting Period. Risks are classified by severity, with high-severity risks prioritised and reported to management and the Board annually.

Metrics and Targets

With our determination of environmental sustainability, several measures to reduce our GHG emissions have been implemented accordingly. Those measures included promoting paperless offices by reusing single-side-printed paper, encouraging employees to switch off all idle appliances and using energy-efficient and environmentally friendly appliances.

Indicators	Unit	2026	2025
Direct emissions (Scope 1)			
— Mobile combustion source	tCO ₂ e	6.00	8.29
Energy indirect emissions (Scope 2)			
— Electricity consumption	tCO ₂ e	110.95	124.71
Other indirect emissions (Scope 3)			
— Business air travel	tCO ₂ e	5.23	5.58
Total	tCO₂e	122.18	138.58
Intensity	tCO₂e/employee	3.05	3.75

To enhance climate disclosure, the Group intends to disclose the amount and percentage of assets or business activities exposed to climate-related transition risks, physical risks, and opportunities as more data becomes available. It will also reference industry-based metrics to build climate resilience and, where necessary, allocate resources through operational budgets to address climate-related risks.

The Group did not maintain an internal carbon price during the Reporting Period but will continue to monitor market carbon prices and emerging carbon tax regulations to mitigate related risks. In the future, the Group may consider third-party ESG data assurance and the purchase of credible carbon credits, prioritising carbon removal projects to offset its emissions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SECTION B: SOCIAL

Employment

Employees are always one of the most treasurable assets for the Group. The Group places significant importance on the dedication and effort of its employees and hence it addresses the essence of the common interests of both. Thus, the Group aims to grow with its employees for the future boom.

Employee Benefits

The Group has established a long-term favourable relationship with its employees. We offer a competitive and attractive remuneration package, including on-the-job training, year-end bonuses, performance-based incentive bonuses and travelling accommodation, to our employees. The Group offers its employees 5-day work and 8 hours per day, to ensure that the employees are provided with sufficient rest periods. We also provide a Mandatory Provident Fund to all our qualified employees. All our employees are covered and protected by the Employees' Compensation Insurance. We continuously assess our employees based on their performance to decide the salary increase, bonus amount and promotion chance, to keep them up to our required standards as well as reward them for their contributions. For any employees with performance not up to the Group's standards, targeted training will be provided to enhance their fundamental skills and knowledge.

The Group strictly abides by the Employment Ordinance, the Mandatory Provident Fund Schemes Ordinance, the Employees' Compensation Ordinance and other relevant laws and regulations that are related to employee protection and benefits.

Harmonious Workplace

To diversify the background exposure of the Group, we hire people based on experience, expertise and values, regardless of race, colour, creed, national origin, ancestry, sex, marital status, disability, religious or political affiliation, age or sexual orientation. We formulate equal opportunities and diversity policies for all our employees. Equal promotion opportunities were provided to our employees if they could perform satisfactory quality of work. We make significant efforts to build a harmonious workplace without discrimination for our employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Year, the Group had a total of 40 employees, the employee profiles by type of employment, gender, age, employment category and geographical location are shown as follows:

As at 30 June	2026
Total Workforce	40
<i>By Type of Employment</i>	
Full time	39
Part time	1
<i>By Gender</i>	
Male	34
Female	6
<i>By Age</i>	
< 25	1
25–29	4
30–39	7
40–49	10
> 49	18
<i>By Employment Category</i>	
Top management	4
Middle management	5
General staff	31
<i>By Geographical Location</i>	
Hong Kong	40
Other	–

We fosters a culture of retention and engagement, supported by consistent team feedback and low observed attrition. While formal turnover metrics are currently being integrated into our evolving HR reporting framework, we expect to disclose standardized data in next year's ESG report as systems mature. Our focus remains on sustaining a stable, motivated workforce through ongoing dialogue and development.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Occupational Health and Safety

The Group is committed to safeguarding the safety, health and welfare of all employees, workers, and the public who is likely to be affected by its normal business operations. To redeem our commitment, we have established certain safety policies. The policies include effective promotion and communication of safety procedures with preparation of safety reports; strict requirements for our employees to follow the safety rules and indispensable safety induction briefing sessions and trainings covering prevention, handling and reporting of accidents. We have our own occupational health and safety officer, who is certified in a safety supervision training course organized by an external trainer, to prepare safety plans, manage the occupational health and safety management system and help with any accidents occurred. In addition, a manual of “Occupational Safety — Equipment”, “Work Safety — Electrical Safety and You” and “Safety Handbook for Construction Site Workers” have been adopted and announced within the Group for reminding its staff and construction site workers about the safety precaution and the potential accident during the usage of electrical appliances, mechanical machines and work in the construction sites. Moreover, for specific machines such as Gantry Crane, only those workers with effective certificate are allowed to operate. The machines are also under regular checks and maintenance to ensure that they are in good conditions to be used.

Alongside the safety measures in workshops and customers’ sites, the Group maintains a healthy and safe environment in the office as well. We notice the preparedness for the potential accidents. Thus, there is a first aid box placed at the office in case any injury happens. A safety manual of office operation is also in place to advocate the office safety, such as the correct pose to transfer heavy items.

The Group abides strictly to the Section 15 of the Employees’ Compensation Ordinance to report any accident to the Commissioner for Labor. Whenever a case of work injury happens, the Group will promptly handle the injured staff and investigate the situation and reason of the work injury. Immediate report will be prepared to notify the Commissioner of the Labor Department as well as the insurance company following the respective regulations and requirements. During the Reporting Year, there were no work injury and fatal case reported within the Group. We will continue to strive for a safe and healthy work environment for our employees and front-line workers to reduce the work injury rate.

During the Reporting Year, the number of deaths due to work injury, the number of reported injuries and the number of lost days due to work injury are shown as follows:

As at 30 June	2026	2025	2024
Number of deaths due to work injury	—	—	—
Number of reported injuries	—	1	—
Number of lost days due to work injury	—	270	—

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Development and Training

The Group underlines the indispensableness of employee improvement. The Group promises to provide sufficient and efficient training to its employees. We also focus on the ability requirements of each level of employees to ensure that our employees are grooming with the Company at the same pace. We offer different internal trainings and development courses to our employees to enhance their knowledge and performance. If any of the employees lag behind, additional trainings with assessments will be provided to keep them on track to maintain the work quality.

All employees are required to receive safety induction briefing sessions and trainings before the commencement of work and during the course of employment. The safety trainings focus on the prevention of accident, safety procedures for using the mechanical machineries, emergency dealing and reporting procedures. These training sessions are provided to ensure that our employees fully understand our safety policies and requirements, as well as protect them from getting injured. In addition, we encourage our workers to participate in external training sessions to be equipped with updated and essential skills and knowledge.

During the Reporting Year, the Group have provided staff training for 32 staff with a total of 290 hours. 80% of employees being trained. The average training hours completed per employee is 7.25 hours. Statistics related to development and training are detailed as follows:

As at 30 June	2026
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Average Hours of Training per Employee

By Gender

Male	7.94
Female	3.33

By Employment Category

Top management	—
Middle management	6.00
General staff	8.39

Percentage of Employees Trained among Employees Participated in Training

By Gender

Male	93.75%
Female	6.25%

By Employee Category

Top management	—
Middle management	18.75%
General staff	81.25%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Labor Standards

The Group strictly abides with the relevant laws and regulations with regards of child labour, minimum wage specified by the government, monthly salary payments and mandatory provident fund scheme. We are delighted to announce that we have not encountered major risks in human rights matters so far. The Group guarantees that no employee is made to work against his/her will or work as forced labour, or subject to coercion related to work. In addition, employee consent to overtime arrangement must be obtained and the relevant compensation will be arranged according to the laws and regulations to prohibit any forced overtime work. Recruitment of child labour is strictly prohibited. Once discovering any child labour, the Group will terminate the contract of the relevant staff with immediate effect and investigate such incident(s) to prevent such incident(s) occur again.

During the recruitment process, our recruiters will obtain the identification documents from the applicants to confirm that there are no employees recruited for under age 18. Through the whistle-blowing mechanism, our employees are able to voice out injustice they face or the misconduct and malpractice they suspect. The identity of the whistleblower will be seriously protected. The reported cases of child and force labour will be investigated by management seriously and follow-up actions will be taken if necessary.

Supply Chain Management

As a group that processes reinforcing bars, we recognize the importance of supply chain management for our sole and primary inventory — couplers. During the supplier selection process, we considered the suppliers' qualifications, reputation, product quality and consistency. We have contracted with an original equipment manufacturer factory (the "OEM factory") in Taiwan for a long-term, non-exclusive framework agreement till November 2026. The OEM factory will promptly supply all the necessary couplers with the required specifications and quality standards to the Group. As at 30 June 2026, the OEM factory is the sole supplier of our Group's inventory, and we have established a good business relationship with the supplier.

The Group recognizes the importance of timely delivery of high-quality mechanical splicing services as a mechanical splicing service provider. Hence, the inventories delivered from the OEM factory play an incredibly significant role in our supply chain. As a precautionary measure against inventory shortages due to the late delivery by the OEM factory, we have already obtained quotes from two other alternative suppliers. We have placed sample orders of couplers from one of the alternatives to conduct quality testing to check if the new supplier can supply inventories up to our quality standards. During the selection of backup alternative suppliers, we underlined the importance of inventory quality, the required skills for the supplier to produce our customized couplers, price and timely delivery. Also, all our business transactions with the suppliers should maintain a high standard of ethics in which bribes or other improper interests cannot be provided or accepted. According to the applicable laws and regulations, information about the business activities, structure, financial status, and performance should also be regularly disclosed.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As part of our efforts to better understand potential adverse environmental and social risks associated with our supply chain, the Group actively engages and communicates with suppliers through several means to build and maintain effective and constructive relationships with our suppliers. During the Reporting Year, we have engaged with 5 suppliers in Taiwan. The Group is making efforts to develop policies and procedures relevant to supply chain management. Due diligence will be conducted to ensure that all related social and environmental risks can be appropriately managed, and when selecting suppliers, priority will be given to suppliers who are considered to have better performance on sustainability, either on their products or services.

Product Responsibility

Since the Group specializes in the provision of the mechanical splicing services to the reinforced concrete construction industry, we are committed to comply with and even exceeding the applicable industrial, safety and quality standards for the sake of safeguarding both the Company's reputation and the public interests.

Quality Standards

The Group has set up a Quality Policy to commit itself for providing satisfactory services to settle customers' desire. We have implemented and maintained our Quality Management System ("QMS") at all costs in which we have been certified to comply with the requirements of ISO 9001: 2015 quality management system standard for the approved scope as "Design, Production and Supply of Mechanical Splices".

Annual Internal Inspection

The Group conducts an internal inspection, covering both the Hong Kong office and Hong Kong workshops in Pingche, regarding the QMS in compliance with ISO 9001: 2015 quality management system standards on an annual basis. The inspection is carried out and monitored by our Quality Management Consultant. An internal inspection report will be prepared to conclude the inspection coverage and criteria and summaries the findings and improvement recommendations. The management holds a meeting to discuss the internal inspection report and review the QMS to ensure that the Group complies with the requirements of ISO 9001:2015 quality management system standards. We will continue to ensure that the implementation of the QMS is up to our required standards.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Quality Control

The Group has implemented a mature inspection system to ensure that all the services provided are of satisfactory quality.

For processing reinforcing bars, all the pre-processed reinforcing bars must be delivered to the Group with mill certificates stating clearly the corresponding heat number of the bars. For connecting reinforcing bars by couplers, the Group closely monitors the production process of the couplers by the OEM factory. Only those raw materials with effective mill certificates and passing mechanical test and chemical test will be used for the production.

After processing and coupling the reinforcing bar, all tags on the processed products must also include the heat number. Then, our Level 3 Technician of Technically Competent Persons under the Registered Structural Engineer's stream ("RSE's TCP (T3)") selects samples randomly from the processed reinforcing bars and inspect with the control bars with the same heat number. The Group invites a registered laboratory under the Hong Kong Laboratory Accreditation Scheme (the "HOKLAS laboratory") to inspect the samples under the supervision of the RSE's TCP (T3). The inspection conducts under the requirements of the Code of Practice for Structural Use of Concrete (2013), conforming the Clause 3.2.8.3 for Type 1 mechanical couplers and Clause 3.2.8.4 for Type 2 mechanical couplers. The processed reinforcing bars are sent to the customers only after the test reports are issued with a "Pass" or "Without Failure" result by the HOKLAS laboratory. The Assistant Quality Supervisor also prepare a thread preparation check record to track whether the samples are satisfactory for the thread length check and the thread profile check.

During the Reporting Year, no products sold or shipped subject to recalls for safety and health reasons.

Customers' Responses

The Group always treasures the customer relationship as an invaluable asset. We invite our customers to evaluate our services upon completion. During the Reporting Year, there were no complaints regarding service quality reported. We will continue to keep well-established relationships with our customers and achieve a complaint-free record in the coming reporting year.

Relevant Laws and Regulations

Actively notifying the compliance issues and inspecting any deficiencies can prevent problems from escalating. Therefore, the Group keeps a close eye on the updates of the Buildings Ordinance, Code of Practice for Structural Use of Concrete and other relevant regulations and codes to revise our policies and operations accordingly to prevent any malpractice. Due to our preventive measures and stringent quality control system, no complaints or non-compliance were reported during the Reporting Year. We will continue striving to provide high-quality service to our precious customers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Anti-corruption

For the Group to maintain a fraudless environment, it is important for us to highlight the prevention of any cases of bribery, extortion, fraud and money laundering. Corruption and bribery are not limited to the questions of morals and ethics, but also the questions of legal litigation and the damage to the Group's reputation. Therefore, the Group has set up an Anti-Bribery & Anti-Corruption-Statement to state clearly the definition of bribery and corruption, the Group's stance and the responsibilities of its employees. The Group severely prohibits its employees from accepting any forms of gifts and benefits beyond proper permission. Our employees should always perform duties with integrity in no bribe, fraud or money laundering should be involved for their own benefit by harming the Group's interests.

The Group recognizes the importance of strict anti-corruption measures to all its employees. The Group has also prepared anti-corruption materials and training videos and will distribute them regularly to the employees and directors. During the Reporting Year, no concluded legal case regarding fraud was brought against the Group or its employees.

Whistleblowing Procedures

The Group has set up a Whistleblowing Policy to encourage its employees to report alleged malpractices or misconduct. The Group values and welcomes its employees to report any suspected malpractices through various channels, i.e., emails, websites, and in person. The management will take immediate action to investigate the issue. The Group promises to fully support the whistleblower, and the identity of the whistleblower will also be well protected.

Community Investment

A prosperous business environment relies on a mutually supportive surrounding community, we are committed to impacting society favourably through effective community investment and employee engagement. The Group intends to establish community investment-related policies and invest more resources in areas that we consider significant, such as labour needs, environmental issues, and health, and will regularly evaluate the effectiveness of these efforts.

REGULATORY COMPLIANCE

The Group was unaware of any non-compliance with laws and regulations that significantly impacted the Group relating to emissions, employment, health and safety, labour standards, product responsibility and anti-corruption during the Reporting Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX

Aspects, General

Disclosures and

KPIs

Description

Relevant Chapter or

Explanation

“Comply or Explain” Provisions

Aspect A1: Emissions

General Disclosure	Information on:	Environmental Targets, Emissions
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
KPI A1.1	The types of emissions and respective emissions data.	Air Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Targets
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Targets

Aspect A2: Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Targets, Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Materials

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General

Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General

Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Occupational Health and Safety, Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Due to the business nature, this KPI has been identified as not material to the Group's operation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General

Disclosures and KPIs	Description	Relevant Chapter or Explanation
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Due to the business nature, this KPI has been identified as not material to the Group's operation.

Aspect B7: Anti-corruption

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption

Aspect B8: Community Investment

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture and sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	The Group is prioritizing resource allocation towards business operations, which has led to a temporary suspension of contributions to external focus areas.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Item	Description	Chapter
Aspect D. Climate-related Disclosures		
(I) Governance		
	Disclose information about:	Climate-Related Disclosure
	(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to <i>climate-related risks and opportunities</i>; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee <i>climate-related risks and opportunities</i>, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Item	Description	Chapter
Aspect D. Climate-related Disclosures		
	(ii) whether management uses controls and procedures to support the oversight of <i>climate-related risks and opportunities</i> and, if so, how these controls and procedures are integrated with other internal functions.	
(II) Strategy		
Climate-related risks and opportunities	Disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flow, its access to finance or cost of capital over the short, medium or long term, Specifically shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons — short, medium or long term — the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Climate-Related Disclosure
Business model and value chain	Disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Item	Description	Chapter
Aspect D. Climate-related Disclosures		
(II) Strategy		
Strategy and decision-making	Disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically disclose: (a) Information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making, specifically disclose: (i) current and anticipated changes to issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaption and mitigation effects (whether direct or indirect); (iii) any climate-related transition plan the issuer has, or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets. (b) information about how the issuer is resourcing, and plans to resource, the activities. Information about the progress of plans disclosed in the previous reporting periods.	Climate-Related Disclosure
Financial position, financial performance and cash flows	Disclose qualitative and quantitative information about its current financial effect on: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Item	Description	Chapter
Aspect D. Climate-related Disclosures		
(II) Strategy		
Financial position, financial performance and cash flows	Disclose qualitative and quantitative information about its anticipated financial effect on: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Climate-Related Disclosure
Climate resilience	Disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically disclose: (a) The issuer's assessment of its climate resilience as at the reporting date, which shall enable understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; and	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Item	Description	Chapter
Aspect D. Climate-related Disclosures		
(II) Strategy		
Climate resilience	(b) how and when the climate-related scenario analysis was carried out, including: (i) information about the input used, including (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis; (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	Climate-Related Disclosure

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Item	Description	Chapter
Aspect D. Climate-related Disclosures		
(III) Risk Management		
	Disclose information about:	Climate-Related Disclosure
	(a) The processes and related policies it uses to identify, assess and prioritise and monitor climate-related risks, including information about:	
	(i) the inputs and parameters the issuer uses;	
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks;	
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	
	(v) how the issuer monitor climate-related risks; and	
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
	(b) the processes the issuer used to identify, assess, prioritise and monitor climate-related opportunities; and	
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	
(IV) Metrics and Targets		
Greenhouse gas emissions	Disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as:	Climate-Related Disclosure
	(a) Scope 1 greenhouse gas emissions;	
	(b) Scope 2 greenhouse gas emissions; and	
	(c) Scope 3 greenhouse gas emissions.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Item	Description	Chapter
Aspect D. Climate-related Disclosures		
(IV) Metrics and Targets		
Greenhouse gas emissions	An issuer shall: (a) Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) Disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions, disclose its location-based Scope 2 greenhouse gas emission, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions, disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emission, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Climate-Related Disclosure

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Item	Description	Chapter
Aspect D. Climate-related Disclosures		
(IV) Metrics and Targets		
Climate-related transition risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	This assessment is currently underway, and we aim to provide corresponding disclosures in the near future.
Climate-related physical risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
Climate-related opportunities	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
Capital deployment	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	
Internal carbon prices	Disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision making; and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Climate-Related Disclosure
Remuneration	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	Climate-Related Disclosure
Industry-based metrics	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Climate-Related Disclosure

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Item	Description	Chapter
Aspect D. Climate-related Disclosures		
(IV) Metrics and Targets		
Climate-related targets	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target; (c) the part of the issuer to which the target applies; (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets; (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Climate-Related Disclosure

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Item	Description	Chapter
Aspect D. Climate-related Disclosures		
(V) Metrics and Targets		
Climate-related targets	For each greenhouse gas emissions target disclosed, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use.	Climate-Related Disclosure Climate-Related Disclosure
Applicability of cross-industry metrics and industry-based metrics	In preparing disclosures to meet certain requirements (for details, please refer to ESG Reporting Code), an issuer shall refer to and consider the applicability of (i) cross-industry metrics and (ii) industry-based metrics.	Not applicable

INDEPENDENT AUDITOR'S REPORT



Independent auditor's report to the shareholders of BOSA Technology Holdings Limited *(Incorporated in the Cayman Islands with limited liability)*

OPINION

We have audited the consolidated financial statements of BOSA Technology Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 90 to 145, which comprise the consolidated statement of financial position as at 30 June 2026, 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 30 June 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as 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"), as applicable to audits of financial statements of public interest entities. We have also 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 consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (continued)

Key audit matter

How our audit addressed the key audit matter

Revenue recognition from the provision of mechanical splicing services

We identified revenue recognition from the provision of mechanical splicing services as a key audit matter due to its significance to the consolidated financial statements.

Revenue from mechanical splicing services is recognised at a point in time when the Group satisfies its performance obligations by transferring control of the services to customers and obtains a present right to consideration.

We focused on this area because revenue is a key performance measure of the Group and errors in the timing of revenue recognition could have a material impact on the Group's results for the year.

Details of the Group's revenue recognition policy and related disclosures are set out in Notes 3.2 and 5 to the consolidated financial statements.

Our audit procedures in relation to revenue recognition from the provision of mechanical splicing services included:

- obtaining an understanding of the revenue business process and testing the key controls over the recognition of revenue from provision of mechanical splicing services;
- assessing the appropriateness of the Group's accounting policies for revenue recognition with relevant HKFRSs;
- performing substantive testing, on a sampling basis, by checking to the contract terms, delivery notes, customers' acknowledgement of receipts and invoices to assess whether the related revenue was recognised in accordance with the Group's revenue recognition policy; and
- testing the sale transactions, on a sampling basis, that took place shortly before and after the year end, by reconciling the recognised revenue with corresponding goods delivery note and customers' acknowledgement of receipt, to ensure that revenue was recognised in the correct accounting period.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (continued)

Key audit matter

How our audit addressed the key audit matter

Valuation of trade receivables

Refer to Notes 4, 17 and 28 to the consolidated financial statements.

As at 30 June 2026, the Group had gross carrying amount of trade receivables amounting to HK\$17,449,000 with loss allowances amounting to HK\$3,282,000.

The management of the Group estimates the amount of lifetime expected credit losses ("ECLs") of trade receivables individually or based on provision matrix through grouping of various debtors that have similar loss patterns, after considering the historical loss rates experience, ageing of overdue trade receivables, customers' repayment history and customer's financial position. Estimated loss rates are based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information.

We identified the valuation of trade receivables as a key audit matter due to the use of judgement and estimates by management in assessing the ECLs of trade receivables.

Our audit procedures in relation to the valuation of trade receivables included:

- understanding management's process in assessing and determining the ECLs allowances of trade receivables;
- checking the accuracy of ageing analysis of the Group's trade receivables, on a sampling basis, to invoices;
- assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising loss allowances;
- re-performing management's calculation of loss allowances assessment; and
- evaluating the appropriateness of the disclosures in respect of the credit risk and impairment assessment of trade receivables in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company (the “Directors”) are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE 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 as 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.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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.

INDEPENDENT AUDITOR'S REPORT

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

As part of an audit in accordance with HKSAAs, 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 Group's consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance 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.

INDEPENDENT AUDITOR'S REPORT

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

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

The engagement director on the audit resulting in this independent auditor's report is Leung Yun Wa.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 24 September 2026
Leung Yun Wa
Practising certificate number P08096

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026 (Expressed in Hong Kong dollars)

		2026	2025
	Note	HK\$'000	HK\$'000
Revenue	5	65,618	82,337
Cost of sales		<u>(32,638)</u>	<u>(41,904)</u>
Gross profit		32,980	40,433
Other income	7	7,923	8,136
Other net losses	7	(243)	(14)
Selling and distribution expenses		(326)	(489)
Reversal of impairment loss in respect of trade receivables under expected credit loss model, net		642	7,691
Administrative expenses		(22,681)	(19,205)
Finance costs	8	<u>(242)</u>	<u>(196)</u>
Profit before tax	9	18,053	36,356
Income tax expense	10	<u>(2,123)</u>	<u>(4,795)</u>
Profit for the year attributable to owners of the Company		<u>15,930</u>	<u>31,561</u>
Other comprehensive income/(expense)			
Item that may be reclassified subsequently to profit or loss:			
— Exchange difference arising on translation of foreign operation		<u>62</u>	<u>(89)</u>
Total comprehensive income for the year attributable to the owners of the Company		<u>15,992</u>	<u>31,472</u>
Earnings per share			
— Basic and diluted (HK cents)	11	<u>1.99</u>	<u>3.95</u>

The notes on pages 95 to 145 form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026 (Expressed in Hong Kong dollars)

	Note	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Plant and equipment	13	1,520	3,339
Right-of-use assets	14	4,382	1,559
Deferred tax assets	23	366	174
Deposits	15	412	316
		<u>6,680</u>	<u>5,388</u>
Current assets			
Inventories	16	8,475	6,391
Trade receivables	17	14,167	16,101
Other receivables, deposits and prepayments	15	3,955	5,034
Time deposits with original maturities over three months	18	151,664	143,588
Cash at banks	18	63,772	57,596
		<u>242,033</u>	<u>228,710</u>
Current liabilities			
Trade payables	19	1,956	3,212
Other payables and accrued charges	20	13,988	13,071
Reinstatement provision	21	150	160
Tax payable		1,663	5,565
Lease liabilities	22	2,404	1,174
		<u>20,161</u>	<u>23,182</u>
Net current assets		<u>221,872</u>	<u>205,528</u>
Total assets less current liabilities		<u>228,552</u>	<u>210,916</u>
Non-current liabilities			
Reinstatement provision	21	160	150
Lease liabilities	22	2,073	439
		<u>2,233</u>	<u>589</u>
Net assets		<u><u>226,319</u></u>	<u><u>210,327</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026 (Expressed in Hong Kong dollars)

	<i>Note</i>	2026 HK\$'000	2025 HK\$'000
Capital and reserves			
Share capital	24(a)	41	41
Reserves	24(b)	226,278	210,286
Equity attributable to the owners of the Company		226,319	210,327

The consolidated financial statements on pages 90 to 145 were approved and authorised for issue by the Board of Directors on 24 September 2026 and are signed on its behalf by:

Mr. Lim Su I
Director

Mr. Paulino Lim
Director

The notes on pages 95 to 145 form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026 (Expressed in Hong Kong dollars)

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 July 2024	<u>41</u>	<u>59,936</u>	<u>5,647</u>	<u>(276)</u>	<u>113,507</u>	<u>178,855</u>
Profit for the year	–	–	–	–	31,561	31,561
Other comprehensive expense for the year	<u>–</u>	<u>–</u>	<u>–</u>	<u>(89)</u>	<u>–</u>	<u>(89)</u>
Total comprehensive (expense)/income for the year	<u>–</u>	<u>–</u>	<u>–</u>	<u>(89)</u>	<u>31,561</u>	<u>31,472</u>
At 30 June 2025 and 1 July 2025	<u>41</u>	<u>59,936</u>	<u>5,647</u>	<u>(365)</u>	<u>145,068</u>	<u>210,327</u>
Profit for the year	–	–	–	–	15,930	15,930
Other comprehensive income for the year	<u>–</u>	<u>–</u>	<u>–</u>	<u>62</u>	<u>–</u>	<u>62</u>
Total comprehensive income for the year	<u>–</u>	<u>–</u>	<u>–</u>	<u>62</u>	<u>15,930</u>	<u>15,992</u>
At 30 June 2026	<u><u>41</u></u>	<u><u>59,936</u></u>	<u><u>5,647</u></u>	<u><u>(303)</u></u>	<u><u>160,998</u></u>	<u><u>226,319</u></u>

The notes on pages 95 to 145 form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026 (Expressed in Hong Kong dollars)

	Note	2026 HK\$'000	2025 HK\$'000
Operating activities			
Profit before tax		18,053	36,356
Adjustments for:			
— Depreciation on plant and equipment	9	1,819	2,740
— Depreciation on right-of-use assets	9	2,984	3,546
— Reversal of provision for reinstatement costs	7	—	(220)
— Bank interest income	7	(6,337)	(5,797)
— Reversal of impairment loss recognised in respect of trade receivables under expected credit loss model, net		(642)	(7,691)
— Interest on lease liabilities	8	242	196
Operating cash flows before movements in working capital		16,119	29,130
Increase in inventories		(2,135)	(538)
Decrease in trade receivables		2,576	20,922
Decrease/(increase) in other receivables, deposits and prepayments		462	(565)
Decrease in trade payables		(916)	(570)
Increase/(decrease) in other payables and accrued charges		917	(396)
Cash generated from operations		17,023	47,983
Income tax paid		(6,216)	(6,086)
Net cash generated from operating activities		10,807	41,897
Investing activities			
Interest received		6,743	4,968
Placement of time deposits with original maturities over three months		(97,344)	(94,386)
Withdrawal of time deposits with original maturities over three months		89,268	50,795
Purchase of plant and equipment		—	(71)
Net cash used in investing activities		(1,333)	(38,694)
Financing activities			
Capital element of lease rentals paid	29	(2,943)	(3,549)
Interest element of lease rentals paid	29	(242)	(196)
Net cash used in financing activities		(3,185)	(3,745)
Net increase/(decrease) in cash and cash equivalents		6,289	(542)
Cash and cash equivalents at beginning of the year		57,596	57,920
Effect of foreign exchange rate changes, net		(113)	218
Cash and cash equivalents at end of the year	18	63,772	57,596

The notes on pages 95 to 145 form part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 GENERAL

BOSA Technology Holdings Limited (the “Company”) is incorporated in the Cayman Islands and registered as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company’s shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 12 July 2018.

The address of the Company’s registered office is PO Box 1350, Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands. The address of the principal place of business of the Company is Room 203A, 2/F., LT Tower, 31 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company and the principal activities of its subsidiaries are set out in note 30. The Company and its subsidiaries are collectively referred to as the “Group”. The ultimate controlling party of the Company is Mr. Lim Su I.

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

2 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

2.1 Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 July 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

2.2 New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS Accounting Standards HKFRS 18	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
HKFRS 20	Presentation and Disclosure in Financial Statements ³
	Regulatory Assets and Regulatory Liabilities ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

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

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

⁴ Effective for annual periods beginning on or after 1 January 2029.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7 “Financial Instruments: Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard not expected to have significant impact on the financial performance and position of the Group in terms of recognition and measurement. However it is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of the assessing the detailed impact of the HKFRS 18 on the Group’s consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policy information set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are accounted for in accordance with HKFRS 16 “Leases” (“HKFRS 16”), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information

Basis of consolidation

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Revenue from contracts with customers

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes. Revenue is after deduction of any trade discounts.

The Group recognises revenue under the following accounting policies:

The mechanical splicing services include two elements:

- processing reinforcing bars — cutting, crimping, chamfering ends of and threading of reinforcing bars of the customers by using the Group's self-developed proprietary technology and methods; and
- connecting reinforcing bars — connecting one end of the processed reinforcing bars by the Group's designed couplers.

The promised services and goods (i.e. the couplers) are not distinct. The Group accounts for all of services and the goods in the contract as a single performance obligation because the promises to transfer the services and goods are not separately identifiable in accordance with the paragraph 27(b) of HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15"). The Group provides a significant integrating service, combining the services and the goods (the inputs) into the processed and assembled reinforcing bars (the combined outputs) for which the customer has contracted for.

Revenue from mechanical splicing service income is recognised at a point in time when control of the completed output resulting from the integrated processing and connection services has been transferred to the customer, as evidenced by customer acceptance or other contractual acceptance procedures.

Other income

Service income is recognised when services are provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease components and are accounted for by applying other applicable standards.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exception for leases of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 “Financial Instruments” (“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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Plant and equipment

Plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purpose. 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.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories is determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair values of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

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 generally by regulation or convention in the market place concerned.

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.

Classification and subsequent measurement of financial assets

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

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, other receivables and deposits, and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 180 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(ii) Definition of default

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

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 360 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjustment for general economic conditions and forward looking information that is available without undue cost or effort.

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

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL (continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

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

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

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically, for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other net losses' line item (note 7) as part of the net foreign exchange gains/(losses).

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities at amortised cost

Financial liabilities including trade payables, other payables, accrued charges, and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other net losses' line item in profit or loss (note 7) as part of net foreign exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Retirement and other post-employment benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans including the Long Service Payment (“LSP”) under the Hong Kong Employment Ordinance, the cost of providing benefits is determined using the projected unit credit method. In determining the present value of the Group's defined benefit obligations and the related current service cost and, where applicable, past service cost, the Group attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than earlier years, the Group attributes the benefit on a straight-line basis from:

- (i) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until;
- (ii) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Remeasurement, comprising the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. However, if the Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest on the net defined benefit liability or asset; and
- remeasurement of the net defined benefit liability or asset in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Retirement and other post-employment benefits (continued)

For LSP obligation, the Group accounts for the employer Mandatory Provident Fund (“MPF”) contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measured on a net basis. The estimated amount of LSP obligation is determined after deducting the negative service cost arising from the accrued benefits (being projected and attributed to periods of service) derived from the Group’s MPF contributions that have been vested with employees and would be used to offset the employee’s LSP benefits, which are deemed to be contributions from the relevant employees.

Short-term and other long-term employee benefits

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

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

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities’ carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ because 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. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Taxation (continued)

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

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

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

The measurement of deferred tax liabilities and assets 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 the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 “Income Taxes” requirements to the lease liabilities and the related assets 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 difference 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 to the same taxable entity by the same taxation authority.

Current and deferred tax for the current reporting period are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligations, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (i) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (ii) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

4 KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

4 KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

The following are 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 within the next twelve months.

Provision for ECL on trade receivables

Trade receivables that are credit-impaired are assessed for ECL individually. In addition, the Group uses provision matrix to calculate ECL for the remaining not credit-impaired trade receivables. The provision rates are based on past due information as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration of forward-looking information that is reasonable and supportable available without undue cost or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are further disclosed in notes 28 and 17 respectively.

As at 30 June 2026, the carrying amount of trade receivables is HK\$14,167,000 (2025: HK\$16,101,000), net of loss allowance of HK\$3,282,000 (2025: HK\$3,924,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

5 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the provision of mechanical splicing services to main contractors and subcontractors in Hong Kong. Revenue represents the fair value of amounts received and receivable for the services provided and net of discount in the ordinary course of the Group's business from contracts with customers within the scope of HKFRS 15. Revenue is recognised at a point in time when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to receive. For the purpose of resource allocation and performance assessment, the chief operating decision maker (i.e. the executive directors of the Company) reviews the overall results and financial position of the Group as a whole prepared based on the same accounting policies set out in note 3. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its mechanical splicing services such that the above information does not include revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for mechanical splicing services that had an original expected duration of one year or less.

Geographical information

No geographical segment information is presented as all the Group's revenue is derived from Hong Kong based on the location of services provided to the customers and the Group's right-of-use assets and plant and equipment as at 30 June 2026 amounting to HK\$5,902,000 (2025: HK\$4,898,000) are all located in Hong Kong physically.

Information about major customers

Revenue attributed from major customers, each of whom accounted for 10% or more of the Group's total revenue during the year, is as follows:

	2026 HK\$'000	2025 HK\$'000
Customer A	7,787	8,314
Customer B	7,215	N/A*
Customer C	6,567	N/A*
Customer D	N/A*	9,678
Customer E	N/A*	8,935

* The corresponding revenue did not contribute 10% or more of the Group's revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

6 EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND FIVE HIGHEST PAID EMPLOYEES

(a) Emoluments of directors and chief executive

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

	Directors' fee HK\$'000	Salaries, allowances and benefits-in-kind HK\$'000	Discretionary bonuses HK\$'000 (note i)	Retirement benefits scheme contributions HK\$'000	Total emoluments HK\$'000
Year ended 30 June 2026					
Executive directors					
Mr. Lim Su I (note ii)	–	1,783	2,478	18	4,279
Mr. Paulino Lim	–	1,188	1,418	18	2,624
Mr. Yang Tien-Lee	–	727	445	–	1,172
Non-executive director					
Mr. Kwan Tek Sian	–	–	–	–	–
Independent non-executive directors					
Ms. Chu Wei Ning	240	–	–	–	240
Mr. Law Sung Ching Gavin	240	–	–	–	240
Mr. Ng Ming Hon	240	–	–	–	240
Total	720	3,698	4,341	36	8,795
Year ended 30 June 2025					
Executive directors					
Mr. Lim Su I (note ii)	–	1,603	3,588	18	5,209
Mr. Paulino Lim	–	1,062	2,029	18	3,109
Mr. Yang Tien-Lee	–	605	724	–	1,329
Non-executive director					
Mr. Kwan Tek Sian	–	–	–	–	–
Independent non-executive directors					
Ms. Chu Wei Ning	240	–	–	–	240
Mr. Law Sung Ching Gavin	240	–	–	–	240
Mr. Ng Ming Hon	240	–	–	–	240
Total	720	3,270	6,341	36	10,367

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

6 EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND FIVE HIGHEST PAID EMPLOYEES (continued)

(a) Emoluments of directors and chief executive (continued)

Notes:

- (i) The discretionary bonus is determined by reference to their duties and responsibilities within the Group and the Group's performance.
- (ii) Mr. Lim Su I acts as the chief executive officer of the Group.
- (iii) The emoluments of executive directors stated above were for their services in connection with management of the daily affairs of the Company and its subsidiaries. The emoluments of non-executive director and independent non-executive directors stated above were for their services in connection with their roles as directors of the Company.

No emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office for the years ended 30 June 2026 and 2025. There was no arrangement under which a director or the chief executive waived or agreed to waive any emoluments for both years.

(b) Five highest paid employees

The five highest paid employees of the Group during the year included three (2025: three) directors, details of whose emoluments are set out in the disclosure (a) above. The emoluments of the remaining two (2025: two) employees for the year ended 30 June 2026 were as follows:

	2026 HK\$'000	2025 HK\$'000
Salaries, allowances and benefits-in-kind	1,841	1,743
Discretionary bonuses	1,537	1,440
Retirement benefits scheme contributions	36	36
	<u>3,414</u>	<u>3,219</u>

Their emoluments were within the following bands:

	2026 Number of employees	2025 Number of employees
Nil to HK\$1,000,000	1	1
HK\$1,000,001 to HK\$1,500,000	—	—
HK\$1,500,001 to HK\$2,000,000	—	—
HK\$2,000,001 to HK\$2,500,000	—	—
HK\$2,500,001 to HK\$3,000,000	1	1
	<u>2</u>	<u>2</u>

No emoluments were paid by the Group to the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office for the years ended 30 June 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

7 OTHER INCOME AND OTHER NET LOSSES

	2026 HK\$'000	2025 HK\$'000
Other income		
Service income	1,287	1,771
Insurance compensation	–	297
Bank interest income	6,337	5,797
Others	299	271
	<u>7,923</u>	<u>8,136</u>
Other net losses		
Reversal of provision for reinstatement costs	–	220
Net exchange losses	(243)	(234)
	<u>(243)</u>	<u>(14)</u>

8 FINANCE COSTS

	2026 HK\$'000	2025 HK\$'000
Interest on lease liabilities	<u>242</u>	<u>196</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

9 PROFIT BEFORE TAX

	2026 HK\$'000	2025 HK\$'000
Profit before tax has been arrived at after charging:		
Auditor's remuneration	505	505
Cost of inventories recognised as an expense	18,401	19,276
Depreciation on plant and equipment	1,819	2,740
Depreciation on right-of-use assets	2,984	3,546
Directors' remuneration (note 6(a))	8,795	10,367
Other staff costs		
— Salaries and other benefits	14,219	13,885
— Retirement benefits scheme contributions	414	480
Total staff costs	23,428	24,732
Expenses relating to short-term leases	56	54
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	43	46

10 INCOME TAX

	2026 HK\$'000	2025 HK\$'000
Hong Kong Profits Tax (note (a)):		
— Current tax	2,366	5,073
— (Over)/under-provision in respect of prior years	(51)	2
	2,315	5,075
Taiwan Corporate Tax (note (b)):		
— Current tax	—	9
Deferred tax credit, net (note 23)	(192)	(289)
	2,123	4,795

Note:

(a) Hong Kong Profits Tax

The Hong Kong Profits Tax is calculated at 8.25% (2025: 8.25%) on the first HK\$2 million of the estimated assessable profits and at 16.5% (2025: 16.5%) on the remaining estimated assessable profits.

(b) The branch incorporated in Taiwan is subject to the Taiwan Corporation Tax rate of 20% (2025: 20%) for the year. No provision for Taiwan Corporation Tax had been made as the branch has sufficient tax losses brought forward to set off against the estimated assessable profit for the year ended 30 June 2026 (2025: provision for Taiwan Corporation Tax had been made).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

10 INCOME TAX (continued)

Note: (continued)

(c) Income tax from other jurisdictions

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxable rating in the relevant countries.

Pursuant to the relevant income tax rules and regulations in other jurisdictions, the Group is not subject to income tax in the jurisdictions of the Cayman Islands and the British Virgin Islands ("BVI").

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

	2026 HK\$'000	2025 HK\$'000
Profit before tax	<u>18,053</u>	<u>36,356</u>
National tax on profit before tax, calculated at the rates applicable to profits in the countries concerned	3,074	6,047
Tax effect of expenses not deductible for tax purpose	433	376
Tax effect of income not taxable for tax purpose	(1,046)	(957)
Tax effect of deductible temporary differences not recognised	(27)	(508)
Tax effect of utilisation of tax losses previously not recognised	(95)	–
Income tax concession	(165)	(165)
(Over)/under-provision in respect of prior years	<u>(51)</u>	<u>2</u>
Income tax expense for the year	<u>2,123</u>	<u>4,795</u>

11 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:

	2026 HK\$'000	2025 HK\$'000
Earnings for the purpose of calculating basic earnings per share:		
Profit for the year attributable to owners of the Company	<u>15,930</u>	<u>31,561</u>
	2026 '000	2025 '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>800,000</u>	<u>800,000</u>

The diluted earnings per share for the years ended 30 June 2026 and 2025 are the same as the basic earnings per share as there were no potential ordinary shares in issue with dilutive effect for both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

12 DIVIDENDS

No dividend was paid or proposed during the year ended 30 June 2026 (2025: nil), nor has any dividend been proposed since the end of the reporting period (2025: nil).

13 PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Office equipment HK\$'000	Furniture and fixtures HK\$'000	Plant and machinery HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost						
At 1 July 2024	2,154	116	355	33,382	3,155	39,162
Additions	–	71	–	–	–	71
At 30 June 2025 and 1 July 2025	2,154	187	355	33,382	3,155	39,233
Transfer from right-of-use assets	–	–	–	–	579	579
At 30 June 2026	2,154	187	355	33,382	3,734	39,812
Accumulated depreciation and impairment						
At 1 July 2024	2,154	116	355	27,576	2,953	33,154
Provided for the year	–	14	–	2,666	60	2,740
At 30 June 2025 and 1 July 2025	2,154	130	355	30,242	3,013	35,894
Transfer from right-of-use assets	–	–	–	–	579	579
Provided for the year	–	24	–	1,737	58	1,819
At 30 June 2026	2,154	154	355	31,979	3,650	38,292
Carrying amounts						
At 30 June 2026	–	33	–	1,403	84	1,520
At 30 June 2025	–	57	–	3,140	142	3,339

Note:

Depreciation policy

The above items of plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over lease terms
Office equipment	3 years
Furniture and fixtures	3 years
Plant and machinery	5 years
Motor vehicles	4 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

14 RIGHT-OF-USE ASSETS

	Motor vehicles <i>HK\$'000</i>	Leased properties <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost			
At 1 July 2024	579	14,391	14,970
Additions	–	143	143
Expirations	–	(2,546)	(2,546)
At 30 June 2025 and 1 July 2025	579	11,988	12,567
Modification	–	5,807	5,807
Transfer to plant and equipment	(579)	–	(579)
Expirations	–	(323)	(323)
At 30 June 2026	–	17,472	17,472
Accumulated depreciation			
At 1 July 2024	399	9,609	10,008
Provided for the year	126	3,420	3,546
Eliminated on expirations	–	(2,546)	(2,546)
At 30 June 2025 and 1 July 2025	525	10,483	11,008
Provided for the year	54	2,930	2,984
Transfer to plant and equipment	(579)	–	(579)
Eliminated on expirations	–	(323)	(323)
At 30 June 2026	–	13,090	13,090
Carrying amounts			
At 30 June 2026	–	4,382	4,382
At 30 June 2025	54	1,505	1,559

For both years, the Group leases an office, various workshops and motor vehicles for its operations. Lease contracts are entered into for fixed term of 24 months to 54 months (2025: 24 months to 54 months). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable. None of the leases includes variable lease payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

14 RIGHT-OF-USE ASSETS (continued)

As at 30 June 2025, the Group had an extension option to renew the lease for an additional period after the end of the contract term for a workshop lease. Where practicable, the Group seeks to include such extension option exercisable by the Group to provide operational flexibility. The Group assessed at lease commencement date whether it was reasonably certain to exercise the extension options. If the Group was not reasonably certain to exercise the extension options, the future lease payments during the extension periods were not included in the measurement of lease liabilities. The potential exposure to these future lease payments was summarised below:

	Lease liabilities recognised (discounted) 2025 HK\$'000	Potential future lease payments under extension options not included in lease liabilities (undiscounted) 2025 HK\$'000
Workshop — Hong Kong	131	1,584

The Group reassessed whether it was reasonably certain to exercise an extension option, upon the occurrence of either a significant event or a significant change in circumstances that was within the control of the Group. During the year ended 30 June 2025, there was no such triggering event.

Following expiry of the original contractual lease term, the Group executed a revised tenancy agreement with the landlord and continued to occupy the workshop. The revised tenancy agreement resulted in a lease modification with addition of lease liability and right-of-use asset amounted to HK\$5,807,000 during the year ended 30 June 2026. Accordingly, no lease extension options remained outstanding as at 30 June 2026.

During the year ended 30 June 2025, additions to right-of-use assets represented the entering into a new tenancy agreement for a workshop of HK\$143,000.

As at 30 June 2025, right-of-use asset in relation to a motor vehicle with a carrying amount of HK\$54,000 was secured by lessor's charge over the leased asset. The related lease matured and was settled during the year.

Details maturity analysis of lease liabilities and total cash outflow for leases are set out in note 22.

The Group regularly entered into short-term leases for workshops and car parks, and leases for low-valued assets for office equipment. As at 30 June 2026 and 2025, the portfolio of short-term leases and leases for low-valued assets is similar to which as disclosed in note 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

15 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2026 HK\$'000	2025 HK\$'000
Rental, utilities and other deposits	1,517	1,759
Other prepayments	992	903
Other receivables	<u>2,720</u>	<u>3,550</u>
	5,229	6,212
Less: Allowance for credit losses of other deposits	<u>(862)</u>	<u>(862)</u>
	<u>4,367</u>	<u>5,350</u>
Non-current	412	316
Current	<u>3,955</u>	<u>5,034</u>
Total	<u>4,367</u>	<u>5,350</u>

Details of impairment assessment of other receivables and deposits are set out in note 28.

16 INVENTORIES

	2026 HK\$'000	2025 HK\$'000
Couplers	<u>8,475</u>	<u>6,391</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

17 TRADE RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Trade receivables	17,449	20,025
Less: Allowance for credit losses	(3,282)	(3,924)
	<u>14,167</u>	<u>16,101</u>

The Group's credit terms of 15–45 days (2025: 15–45 days) are granted to customers. An aged analysis of the trade receivables, net of allowance for credit losses presented and based on the invoice dates, which approximate to the dates of completion of the services rendered, at the end of the reporting period, is as follows:

	2026 HK\$'000	2025 HK\$'000
0–30 days	5,615	5,566
31–60 days	5,407	5,942
61–90 days	1,933	2,445
Over 90 days	1,212	2,148
	<u>14,167</u>	<u>16,101</u>

Details of impairment assessment of trade receivables are set out in note 28.

18 TIME DEPOSITS, CASH AND CASH EQUIVALENTS

	2026 HK\$'000	2025 HK\$'000
Time deposits with original maturities over three months (<i>Note</i>)	<u>151,664</u>	<u>143,588</u>
Cash at banks, and cash and cash equivalents in the consolidated statement of cash flows	<u>63,772</u>	<u>57,596</u>

Note: As at 30 June 2026, the time deposits are made for periods of over three months but within 1 year with creditworthy banks, which are unsecured and carry fixed interest rates ranging from 1.80% to 4.10% (2025: 2.30% to 4.10%) per annum.

Details of impairment assessment of bank balances are set out in note 28.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

19 TRADE PAYABLES

The credit period on purchase of inventories is within 60 days (2025: 60 days). An aged analysis of trade payables presented, based on the invoice dates at the end of the reporting period, is as follows:

	2026 HK\$'000	2025 HK\$'000
0–30 days	<u>1,956</u>	<u>3,212</u>

20 OTHER PAYABLES AND ACCRUED CHARGES

	2026 HK\$'000	2025 HK\$'000
Salaries payable	2,904	2,395
Provision for annual leaves	350	350
Provision for long service payments (note 26)	1,582	1,582
Accrued charges	8,230	8,310
Other payables	<u>922</u>	<u>434</u>
	<u>13,988</u>	<u>13,071</u>

21 REINSTATEMENT PROVISION

	2026 HK\$'000	2025 HK\$'000
At the beginning of the year	310	530
Reversal of provision during the year	<u>–</u>	<u>(220)</u>
At the end of the year	<u>310</u>	<u>310</u>
Non-current	160	150
Current	<u>150</u>	<u>160</u>
Total	<u>310</u>	<u>310</u>

The provision of reinstatement works related to the estimated cost of reinstating the rented premises to be carried out at the end of respective lease periods of 24 to 36 months as of 30 June 2026 (2025: 24 to 36 months). These amounts have not been discounted for the purpose of measuring the provision for reinstatement works as the effect is not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

22 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period:

	2026 HK\$'000	2025 HK\$'000
Within 1 year	2,404	1,174
After 1 year but within 2 years	<u>2,073</u>	<u>439</u>
	4,477	1,613
Less: Amount due for settlement within 1 year shown under current liabilities	<u>(2,404)</u>	<u>(1,174)</u>
Amount due for settlement after 1 year shown under non-current liabilities	<u><u>2,073</u></u>	<u><u>439</u></u>

Amounts included in the statement of cash flows for leases comprise the following:

	2026 HK\$'000	2025 HK\$'000
Within operating cash flows	99	100
Within financing cash flows	<u>3,185</u>	<u>3,745</u>
	<u><u>3,284</u></u>	<u><u>3,845</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

23 DEFERRED TAX

Deferred tax assets and liabilities

The following are the deferred tax assets and (liabilities) recognised and movements thereon during the current and prior years:

	Depreciation allowance HK\$'000	Right-of-use assets HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 July 2024	(125)	(789)	799	(115)
Credited/(charged) to profit or loss (note 10)	291	541	(543)	289
At 30 June 2025 and 1 July 2025	166	(248)	256	174
Credited/(charged) to profit or loss (note 10)	185	(474)	481	192
At 30 June 2026	351	(722)	737	366

Deferred tax assets not recognised

As at 30 June 2026, the Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$300,000 (2025: HK\$775,000) and other temporary differences of HK\$481,000 (2025: HK\$645,000) as it is not certain that future taxable profits against which the assets can be utilised will be available in the relevant tax jurisdiction and entity. All the tax losses will expire within 10 years under the current tax legislation.

24 SHARE CAPITAL AND RESERVES

(a) Share capital

	Number of shares '000	Amount HK\$	HK\$'000
Ordinary shares			
Authorised:			
As at 1 July 2024, 30 June 2025, 1 July 2025 and 30 June 2026	10,000,000	1,000,000	1,000
Issued and fully paid:			
As at 1 July 2024, 30 June 2025, 1 July 2025 and 30 June 2026	800,000	40,500	41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

24 SHARE CAPITAL AND RESERVES (continued)

(b) Nature and purpose of reserves

(i) Share premium

Share premium represented the reserve arising from issuance of share capital at premium price during pre-listing and listing as well as capitalisation of amounts due to shareholders in prior years.

(ii) Other reserve

Other reserve represented the reserves in relation to the shareholders' contribution arising from group reorganisation before listing attributable to the owners of the Company and waiver of amount due to shareholders in prior years.

(iii) Translation reserve

Translation reserve comprises foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong.

25 RELATED PARTY DISCLOSURES

(a) Related party transactions

Saved as disclosed below, the Group had no other transactions with its related parties for the years ended 30 June 2026 and 2025.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2026 HK\$'000	2025 HK\$'000
Short-term employee benefits	10,664	12,851
Post-employment benefits	54	54
	<u>10,718</u>	<u>12,905</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

26 RETIREMENT BENEFIT SCHEMES

Defined contribution plan — Mandatory Provident Fund Scheme

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. Under the 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\$30,000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

The retirement benefits scheme contributions arising from the MPF Scheme charged to profit or loss of HK\$450,000 (2025: HK\$516,000) represent contributions paid or payable to the funds by the Group at rates specified in the rules of the scheme.

Defined benefit plan — Obligation to pay long service payment under Hong Kong Employment Ordinance, Chapter 57

For the Group's subsidiary operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) $\times$ 2/3 $\times$ Years of service

Last monthly wages are capped at HK\$22,500 while the amount of long service payment shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee.

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR has introduced a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date. The Amendment Ordinance has no material impact on the Group's LSP liability with respect to employees that participate in MPF Scheme.

As at 30 June 2026, the Group recognised provision for long service payment of HK\$1,582,000 (2025: HK\$1,582,000) and included in accruals as disclosed in note 20.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

27 CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes lease liabilities as disclosed in note 22, net of cash at banks, time deposits with original maturities over three months, and equity attributable to the owners of the Company, comprising issued share capital and reserves.

The management actively and regularly reviews the capital structure on an on-going basis. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt.

28 FINANCIAL INSTRUMENTS

Categories of financial instruments

	2026 HK\$'000	2025 HK\$'000
Financial assets		
At amortised cost	<u>232,978</u>	<u>221,732</u>
Financial liabilities		
At amortised cost	<u>18,489</u>	<u>15,964</u>

Financial risk management objectives and policies

The Group's financial instruments include trade receivables, other receivables and deposits, cash at banks, time deposits with original maturities over three months, trade payables, other payables and accrued charges and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

Currency risk

The Group conducts certain purchase and funding transactions in foreign currencies, i.e. New Taiwan Dollar ("NT\$"), United States Dollar ("US\$"), Japanese Yen ("JPY") and Australian Dollar ("AUD"), hence is exposed to foreign currency risk. The Group manages its foreign currency risk by closely monitoring the movements of foreign currency exchange rates. The Group currently does not have a foreign exchange hedging policy. However, the management of the Group closely monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

28 FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Market risk (Continued)

Currency risk (Continued)

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currencies, i.e. currency other than the functional currency of the respective group entities, which are mainly time deposits with original maturities over three months, cash at banks and trade and other payables are as follows:

	2026 HK\$'000	2025 HK\$'000
Assets		
NT\$	–	12,162
US\$	139,583	117,252
JPY	5,746	6,456
AUD	51,672	49,018
	<u>197,001</u>	<u>184,888</u>
Liabilities		
NT\$	–	4,152

Sensitivity analysis

The following table details the Group's sensitivity to a 10% (2025: 10%) increase in the functional currencies of the Group entities against relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to the key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. The number below indicates an increase/(decrease) in profit for the year when the functional currencies strengthen against the relevant foreign currencies. For a 10% weakening of the functional currencies against the relevant foreign currencies, there would be an equal but opposite impact on the result for the year (after tax effect).

	2026 HK\$'000	2025 HK\$'000
NT\$	–	(669)
US\$	(11,655)	(9,791)
JPY	(479)	(539)
AUD	(4,314)	(4,093)
	<u>(16,448)</u>	<u>(15,092)</u>

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the relevant years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

28 FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the time deposits with original maturities over three months and lease liabilities as disclosed in notes 18 and 22 respectively. The Group's fair value interest rate risk is mainly concentrated on the fluctuation of interest rates on time deposits. The Group is also exposed to cash flow interest rate risk in relation to the Group's variable-rate bank balances as disclosed in note 18.

The Group currently does not have an interest rate hedging policy. However, the management of the Group closely monitors its exposure to future cash flow risk as a result of change on market interest rate and will consider hedging significant exposure to changes in market rates should the need arise.

The management of the Group does not expect there will be a significant interest rate fluctuation on bank balances and in view of the low interest rate environment, no sensitivity analysis is prepared at the end of the reporting periods.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, other receivables, deposits, time deposits with original maturities over three months and cash at banks. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables arising from contracts with customers

The Group has concentration of credit risk as 12.0% (2025: 13.5%) and 42.8% (2025: 52.2%) of the total trade receivables was due from the Group's largest debtor and five largest debtors at the end of the reporting period respectively. These customers are primarily main contractors or subcontractors of residential/commercial property development projects. The management of the Group closely monitors the subsequent settlement of the customers and actively takes follow-up actions to recover overdue debts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced. Other than disclosed above, the Group does not have significant credit risk exposure to any single individual customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

28 FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Trade receivables arising from contracts with customers (continued)

The Group rebutted the presumption of significant increase in credit risk and default under ECL model for trade receivables over 30 days and 90 days past due respectively and set the criteria for significant increase in credit risk and default as over 180 days and 360 days past due respectively based on good repayment records for those trade debtors having a continuous business with the Group and the historical settlement pattern for construction sector in Hong Kong. Trade receivables over 360 days past due, which is considered to be credit-impaired, are assessed individually for their lifetime ECLs based on their loss given default with reference to historical debt collection experience, adjusted by current and forward-looking factors.

In addition, the Group applies the HKFRS 9 simplified approach to recognise lifetime ECLs for all trade receivables, and adopts a practical expedient in estimating ECL on debtors by using a provision matrix except for those which are assessed individually. The Group categorises its trade receivables based on past due status. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. Reversal of impairment loss of HK\$642,000 (2025: HK\$7,691,000) is recognised during the year ended 30 June 2026. Details of the quantitative disclosures are set out below in this note.

Other receivables and deposits

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there has not been a significant increase in credit risk of these amounts since initial recognition (except for certain amounts of HK\$862,000 which was specifically assessed for impairment due to occurrence of certain adverse events in 2021 and lifetime ECL had been made) and the Group provided impairment based on 12m ECL. As a result, loss allowances in respect of other deposits of HK\$862,000 were recognised as at 30 June 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

28 FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Bank balances

Bank balances of the Group include time deposits with original maturities over three months and cash at banks at the end of the reporting period. Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

28 FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

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

2026	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount HK\$'000
Financial assets at amortised cost				
Bank balances	A to A+	N/A	12m ECL	215,436
Other receivables and deposits	N/A	(Note 1)	12m ECL	3,375
Other deposits	N/A	Loss (Note 2)	Lifetime ECL (credit-impaired)	862
Trade receivables	N/A	(Note 3)	Lifetime ECL (collective assessment)	14,648
Trade receivables	N/A	Loss (Note 3)	Lifetime ECL (credit-impaired)	2,801
2025	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount HK\$'000
Financial assets at amortised cost				
Bank balances	A to A+	N/A	12m ECL	201,184
Other receivables and deposits	N/A	(Note 1)	12m ECL	4,447
Other deposits	N/A	Loss (Note 2)	Lifetime ECL (credit-impaired)	862
Trade receivables	N/A	(Note 3)	Lifetime ECL (collective assessment)	16,746
Trade receivables	N/A	Loss (Note 3)	Lifetime ECL (credit-impaired)	3,279

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

28 FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

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

Notes:

- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. The directors of the Company believe that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 30 June 2026 and 2025, the Group assessed the ECL for other receivables and deposits were insignificant and thus no loss allowance was recognised.
- Certain balance of other deposits of HK\$862,000 (2025: HK\$862,000) which recovery was considered to be remote by the management of the Group due to unfavourable events in respect of certain projects occurred in prior years.
- As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers because these customers consist of a large number of diversified customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired). Credit-impaired debtors with gross amount of HK\$2,801,000 as at 30 June 2026 (2025: HK\$3,279,000) was fully impaired after being assessed individually.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables calculated using the provision matrix:

As at 30 June 2026	Average loss rate	Trade receivables HK\$'000	Loss allowance HK\$'000	Net amount HK\$'000
Not past due	0.21%	5,627	(12)	5,615
1–30 days past due	0.44%	5,432	(24)	5,408
31–60 days past due	2.03%	1,973	(40)	1,933
61–90 days past due	5.91%	778	(46)	732
91–180 days past due	18.71%	481	(90)	391
181–360 days past due	75.35%	357	(269)	88
		14,648	(481)	14,167
As at 30 June 2025	Average loss rate	Trade receivables HK\$'000	Loss allowance HK\$'000	Net amount HK\$'000
Not past due	2.79%	5,634	(157)	5,477
1–30 days past due	2.82%	6,197	(175)	6,022
31–60 days past due	3.33%	2,520	(84)	2,436
61–90 days past due	4.28%	1,284	(55)	1,229
91–180 days past due	7.73%	737	(57)	680
181–360 days past due	31.28%	374	(117)	257
		16,746	(645)	16,101

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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28 FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The estimated loss rates are estimated based on historical observed default rates over the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

Movement in the ECL in respect of trade receivables during the year is as follows:

	Lifetime ECL (collective assessment) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
At 1 July 2024	3,765	7,850	11,615
Changes due to financial instruments recognised as at 1 July 2024			
— Transfer to credit-impaired	(46)	46	—
— Impairment losses recognised	—	154	154
— Impairment losses reversed	(3,719)	(5,666)	(9,385)
New financial assets originated	645	895	1,540
At 30 June 2025 and 1 July 2025	645	3,279	3,924
Changes due to financial instruments recognised as at 1 July 2025			
— Transfer to credit-impaired	(11)	11	—
— Impairment losses recognised	92	373	465
— Impairment losses reversed	(631)	(1,510)	(2,141)
New financial assets originated	386	648	1,034
At 30 June 2026	481	2,801	3,282

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of bank balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities which have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

28 FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	On demand or less than 1 year HK\$'000	More than 1 year but less than 2 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amount HK\$'000
As at 30 June 2026					
Trade payables	N/A	1,956	–	1,956	1,956
Other payables and accrued charges (excluding provision)	N/A	12,056	–	12,056	12,056
Lease liabilities	5.52	2,579	2,133	4,712	4,477
		<u>16,591</u>	<u>2,133</u>	<u>18,724</u>	<u>18,489</u>

	Weighted average effective interest rate %	On demand or less than 1 year HK\$'000	More than 1 year but less than 2 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amount HK\$'000
As at 30 June 2025					
Trade payables	N/A	3,212	–	3,212	3,212
Other payables and accrued charges (excluding provision)	N/A	11,139	–	11,139	11,139
Lease liabilities	5.31	1,231	446	1,677	1,613
		<u>15,582</u>	<u>446</u>	<u>16,028</u>	<u>15,964</u>

Fair value of the Group's financial assets and financial liabilities that are measured at amortised cost

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

29 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities (note 22) HK\$'000
At 1 July 2024	<u>5,019</u>
Changes from financing cash flows:	
Capital element of lease rentals paid	(3,549)
Interest element of lease rentals paid	<u>(196)</u>
	<u>(3,745)</u>
Other changes:	
New lease entered	143
Finance costs recognised	<u>196</u>
	<u>339</u>
At 30 June 2025 and 1 July 2025	<u>1,613</u>
Changes from financing cash flows:	
Capital element of lease rentals paid	(2,943)
Interest element of lease rentals paid	<u>(242)</u>
	<u>(3,185)</u>
Other changes:	
Lease modification	5,807
Finance costs recognised	<u>242</u>
	<u>6,049</u>
At 30 June 2026	<u><u>4,477</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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30 PARTICULARS OF SUBSIDIARIES

Particulars of the Company's subsidiaries as at 30 June 2026 and 2025 are as follows:

Name of subsidiary	Place of incorporation	Place of operation	Issued and fully paid share capital	Equity interest attributable to the Company as at		Principal activities
				30 June 2026	30 June 2025	
Directly held:						
BOSA Investment Limited	BVI	Hong Kong	US\$10,000	100%	100%	Investment holding
Indirectly held:						
BOSA Technology Worldwide Limited	BVI	Hong Kong	US\$1	100%	100%	Investment holding
BOSA Technology (Hong Kong) Limited	Hong Kong	Hong Kong	HK\$10,000	100%	100%	Provision of mechanical splicing services to the reinforced concrete construction industry in Hong Kong
BOSA Technology (R & D) Limited	BVI	Hong Kong	US\$1	100%	100%	Inactive

All subsidiaries now comprising the Group are limited liability companies and have adopted 30 June as their financial year end date.

None of the subsidiaries had issued any debt securities as at 30 June 2026 and 2025 or at any time during both current and prior years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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31 INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2026 HK\$'000	2025 HK\$'000
Non-current assets		
Plant and equipment	–	–
Investment in a subsidiary	18,670	18,670
	<u>18,670</u>	<u>18,670</u>
Current assets		
Other receivables, deposits and prepayments	179	303
Amounts due from subsidiaries	21,176	21,140
Time deposits with original maturities over three months	13,523	12,684
Cash at banks	1,096	4,039
	<u>35,974</u>	<u>38,166</u>
Current liabilities		
Other payables and accrued charges	786	837
Amount due to a subsidiary	18,762	19,505
	<u>19,548</u>	<u>20,342</u>
Net current assets	<u>16,426</u>	<u>17,824</u>
Net assets	<u>35,096</u>	<u>36,494</u>
Capital and reserves		
Share capital	41	41
Reserves (Note)	35,055	36,453
Equity attributable to owners of the Company	<u>35,096</u>	<u>36,494</u>

Note:

	Share premium HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 July 2024	59,936	5,519	(27,383)	38,072
Loss and total comprehensive expense for the year	–	–	(1,619)	(1,619)
At 30 June 2025 and 1 July 2025	59,936	5,519	(29,002)	36,453
Loss and total comprehensive expense for the year	–	–	(1,398)	(1,398)
At 30 June 2026	<u>59,936</u>	<u>5,519</u>	<u>(30,400)</u>	<u>35,055</u>

FIVE YEARS FINANCIAL SUMMARY

	For the year ended 30 June				
	2022 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2025 <i>HK\$'000</i>	2026 <i>HK\$'000</i>
RESULTS					
Revenue	<u>108,933</u>	<u>106,696</u>	<u>100,724</u>	<u>82,337</u>	<u>65,618</u>
Profit before tax	25,717	25,788	39,740	36,356	18,053
Income tax expense	<u>(5,187)</u>	<u>(4,993)</u>	<u>(5,327)</u>	<u>(4,795)</u>	<u>(2,123)</u>
Profit for the year attributable to owners of the Company	<u>20,530</u>	<u>20,795</u>	<u>34,413</u>	<u>31,561</u>	<u>15,930</u>
	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Earnings per share					
Basic and diluted	<u>2.57</u>	<u>2.60</u>	<u>4.30</u>	<u>3.95</u>	<u>1.99</u>
As at 30 June					
	2022 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2025 <i>HK\$'000</i>	2026 <i>HK\$'000</i>
ASSETS AND LIABILITIES					
Total assets	155,286	169,175	207,894	234,098	248,713
Total liabilities	<u>(31,793)</u>	<u>(24,801)</u>	<u>(29,039)</u>	<u>(23,771)</u>	<u>(22,394)</u>
Net assets	<u>123,493</u>	<u>144,374</u>	<u>178,855</u>	<u>210,327</u>	<u>226,319</u>
Equity attributable to owners of the Company	<u>123,493</u>	<u>144,374</u>	<u>178,855</u>	<u>210,327</u>	<u>226,319</u>