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Shun Wo Group Holdings Limited

汛和集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1591)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Shun Wo Group Holdings Limited (the “**Company**”) is pleased to present the audited annual consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2025 (the “**Review Year**”), together with the comparative figures for the corresponding year ended 31 March 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	3	166,255	333,430
Direct costs		(140,916)	(272,636)
Gross profit		25,339	60,794
Other income and other gains	4	8,768	4,391
Administrative and other operating expenses		(31,912)	(22,352)
Impairment losses on financial assets and contract assets, net		(9,223)	(52)
(Loss)/profit from operations		(7,028)	42,781
Finance cost		(30)	—
(Loss)/profit before income tax	5	(7,058)	42,781
Income tax credit/(expense)	6	1,365	(3,316)
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company		(5,693)	39,465
			(Restated)
(Loss)/earnings per share attributable to owners of the Company			
— Basic and diluted (loss)/earnings per share (HK cents)	7	(1.42)	9.87

Details of dividends are disclosed in Note 8.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		15,718	12,580
Right-of-use assets		601	34
Deferred tax assets		211	–
		16,530	12,614
Current assets			
Contract assets		38,899	40,342
Trade and other receivables	9	55,581	50,600
Pledged bank deposits	10	7,160	6,460
Bank balances and cash		85,242	93,395
		186,882	190,797
Total assets		203,412	203,411
EQUITY			
Equity attributable to owners of the Company			
Capital and reserves			
Share capital	11	40,000	40,000
Reserves		100,020	105,713
Total equity		140,020	145,713
LIABILITIES			
Current liabilities			
Trade and other payables	12	44,034	30,775
Deferred income		240	–
Lease liabilities		450	–
Contract liabilities		17,692	23,607
Income tax payable		–	2,162
		62,416	56,544
Non-current liabilities			
Deferred income		820	–
Lease liabilities		156	–
Deferred tax liabilities		–	1,154
		976	1,154
Total liabilities		63,392	57,698
Total equity and liabilities		203,412	203,411
Net current assets		124,466	134,253
Net assets		140,020	145,713

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

The Company is an investment holding company. The Group is principally engaged in undertaking foundation works in Hong Kong.

The Company was incorporated in the Cayman Islands on 3 May 2016 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 28 September 2016.

As at 31 March 2025, its parent and ultimate holding company is May City Holdings Limited (“**May City**”), a company incorporated in the British Virgin Islands (the “**BVI**”) and owned as to 40% by Mr. Wong Yan Hung (“**Mr. YH Wong**”), 30% by Mr. Wong Tony Yee Pong (“**Mr. Tony Wong**”) and 30% by Mr. Lai Kwok Fai (“**Mr. Lai**”).

The address of the registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the principal place of business of the Company is Flat A, 7/F., Sai Wan Ho Plaza, 68 Shaukeiwan Road, Hong Kong.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the “**Listing Rules**”) and by the Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies of the Group.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Change in accounting policy and disclosures

(i) *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 issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

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

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.

(ii) *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:

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

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Change in accounting policy and disclosures (Continued)

(iii) 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 and HKFRS 7. 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. The application of the new standard 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 assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents construction contract receipts in the ordinary course of business. Revenue recognised during the year are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue		
Main contracting	117,130	242,884
Sub-contracting	49,125	90,546
	<u>166,255</u>	<u>333,430</u>

The chief operating decision-maker has been identified as the Board. The Board regards the Group's business as a single operating segment and reviews consolidated financial statements accordingly. Also, the Group only engages its business in Hong Kong and all the non-current assets of the Group are located in Hong Kong. Therefore, no segment and geographical information is presented.

Information about the major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	26,210	117,485
Customer B	— ¹	48,555
Customer C	— ¹	45,712
Customer D	17,037	41,720
Customer E	37,508	— ¹
Customer F	27,293	— ¹
Customer G	22,516	— ¹

¹ The corresponding revenue did not contribute over 10% of total revenue of the Group.

4. OTHER INCOME AND OTHER GAINS

	2025 HK\$'000	2024 HK\$'000
Project management fee	4,461	731
Gain on disposal of property, plant and equipment	10	26
Bad debt recovery	–	556
Interest income	3,585	2,432
Sales of scrap materials	168	500
Government grants		
— Amortisation of deferred income (<i>Note (i)</i>)	140	–
Rental income	213	–
Others	191	146
	<u>8,768</u>	<u>4,391</u>

Note:

- (i) During the year ended 31 March 2025, the Group recognised government grants of HK\$140,000 (2024: Nil) relating to the purchase of machinery in respect of the Construction Innovation and Technology Fund supported by the Hong Kong Government. All grants are recognised when there is reasonable assurance that the Group is complied with the conditions attaching and that the grants will be received.

5. (LOSS)/PROFIT BEFORE INCOME TAX

	2025 HK\$'000	2024 HK\$'000
Included in direct costs:		
Depreciation of property, plant and equipment	5,466	5,111
Staff costs	23,983	22,092
Included in administrative and other operating expenses:		
Auditors' remuneration		
— Audit services	760	760
— Non-audit services	120	120
Depreciation of property, plant and equipment	1,896	1,663
Depreciation of right-of-use assets	334	33
Expense relating to short-term leases not included in the measurement of lease liabilities	2,997	2,966
Staff costs, including directors' emoluments	<u>20,464</u>	<u>11,131</u>

6. INCOME TAX (CREDIT)/EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current income tax		
— Hong Kong profits tax	—	2,162
Deferred tax (credit)/expense	(1,365)	1,154
	<u>(1,365)</u>	<u>3,316</u>

Hong Kong profits tax is calculated at a rate of 16.5% of the estimated assessable profits for both years. No provision for Hong Kong profits tax has been made as the Group had no assessable profit arising in or derived from Hong Kong for the year (2024: Except for a subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. For this subsidiary, the first HK\$2,000,000 of assessable profits are taxed at 8.25%, and the remaining assessable profits are taxed at 16.5%).

7. (LOSS)/EARNINGS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
(Loss)/profit		
(Loss)/profit for the purposes of basic and diluted (loss)/earnings per share:		
(Loss)/profit for the year attributable to owners of the Company	<u>(5,693)</u>	<u>39,465</u>
	'000	'000 (Restated)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted (loss)/earnings per share	400,000	400,000
Basic (loss)/earnings per share (HK cents)	<u>(1.42)</u>	<u>9.87</u>

Note:

The weighted average number of ordinary shares for the years ended 31 March 2025 has been adjusted to account for the effect of share consolidation of the Company (as detailed in Note 11 below) which became effective on 17 September 2024.

Comparative figures of the weighted average number of shares for calculation of basic earnings per share has been adjusted on the assumption that the share consolidation had been effective in prior years.

The diluted (loss)/earnings per share were the same as the basic (loss)/earnings per share as there were no dilutive potential ordinary shares in issue during the years ended 31 March 2025 and 2024.

8. DIVIDENDS

No dividend was paid or proposed by the Board for the year ended 31 March 2025 (2024: Nil).

9. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	37,018	35,793
Less: allowance for credit losses	(5,628)	(218)
	<u>31,390</u>	<u>35,575</u>
Other receivables, deposits and prepayments (<i>Note c</i>)	24,191	15,025
	<u>55,581</u>	<u>50,600</u>

Notes:

- (a) The credit period granted to customers ranges from 21 to 45 days (2024: 30 to 45 days) generally. Trade receivables are denominated in HK\$.
- (b) The ageing analysis of the trade receivables, net of allowance for credit losses based on date of payment certificates issued by customers or invoice date, whichever is applicable, are as follows:

	2025 HK\$'000	2024 HK\$'000
0–30 days	17,124	26,728
31–60 days	8,855	5,709
61–90 days	–	3,138
Over 90 days	5,411	–
	<u>31,390</u>	<u>35,575</u>

- (c) Included in other receivables, deposits and prepayments at 31 March 2025 are cash collateral of approximately HK\$7,857,000 (2024: approximately HK\$8,094,000) placed with insurance companies in Hong Kong for the provision of the surety bonds for certain of the Group's construction projects (Note 14).

10. PLEDGED BANK DEPOSITS

The effective interest rate for the pledged bank deposits are 3.54% (2024: 5.25%) per annum as at 31 March 2025. The carrying amount of pledged bank deposits are denominated in HK\$. The bank deposits of approximately HK\$5,000,000 had been pledged to bank as surety bond for faithful performance in accordance to the contract between the Group entity and the customer (2024: approximately HK\$6,460,000). For the remaining bank deposits of approximately HK\$2,160,000, are pledged as banking facilities for the operations of the Group (2024: Nil).

11. SHARE CAPITAL

	Number of ordinary shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each (before share consolidation) and HK\$0.10 each (after share consolidation)		
As at 1 April 2023, 31 March 2024 and 1 April 2024	10,000,000,000	100,000
Share consolidation (<i>Note</i>)	(9,000,000,000)	—
As at 31 March 2025	1,000,000,000	100,000

Issued and fully paid:

Ordinary shares of HK\$0.01 each (before share consolidation) and HK\$0.10 each (after share consolidation)		
As at 1 April 2023, 31 March 2024 and 1 April 2024	4,000,000,000	40,000
Share consolidation (<i>Note</i>)	(3,600,000,000)	—
As at 31 March 2025	400,000,000	40,000

Note:

On 23 July 2024, the directors of the Company proposed to implement a share consolidation on the basis that every ten issued and unissued shares of HK\$0.01 each would be consolidated into one consolidated share of HK\$0.10 each.

Pursuant to an ordinary resolution passed on 13 September 2024, the share consolidation was approved by the shareholders of the Company and has become effective on 17 September 2024. Immediately after the share consolidation, the total number of issued share capital of the Company was adjusted from 4,000,000,000 to 400,000,000.

12. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	23,097	12,758
Retention payables	11,092	10,516
Accruals and other payables	9,845	7,501
	44,034	30,775

12. TRADE AND OTHER PAYABLES (CONTINUED)

Note:

- (a) Payment terms granted by suppliers are generally within two months.

The ageing analysis of trade payables based on the invoice date are as follows:

	2025 HK\$'000	2024 HK\$'000
0–30 days	22,093	8,501
31–60 days	206	3,130
61–90 days	–	12
Over 90 days	798	1,115
	<u>23,097</u>	<u>12,758</u>

13. CAPITAL COMMITMENTS

	2025 HK\$'000	2024 HK\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of: — Property, plant and equipment	<u>1,155</u>	<u>4,743</u>

14. SURETY BONDS AND CONTINGENT LIABILITIES

Certain customers of construction contracts undertaken by the Group require the Group entity to issue guarantees for the performance of contracts in the form of surety bonds secured by pledged bank deposits or a corporate indemnity issued by insurance companies secured by pledged deposit.

As at 31 March 2025, the Group has outstanding surety bonds of approximately HK\$18,416,000 (2024: approximately HK\$18,969,000). The surety bonds will be released upon completion of the contracting works.

Saved as disclosed above, as at 31 March 2025, the Group did not have any other material contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

The Group has more than 20 years of history in Hong Kong's foundation industry, specialising in excavation and lateral support works, socketed H-piling and mini-piling works and pile caps construction works. Hop Kee Construction Company Limited ("**Hop Kee**"), the principal operating subsidiary, is registered under the Buildings Ordinance as a Registered Specialist Contractor under the sub-register of "Foundation Works" and "Site Formation Works" category since December 2009.

As at 31 March 2025, the Group had a total of 10 ongoing projects (including projects that have commenced but not completed as well as projects that have been awarded but not yet commenced) and the original contract sum of these projects are approximately HK\$305.8 million.

During the Review Year, the Group faced unprecedented market challenges. The Group's revenue recorded approximately HK\$166.3 million, representing a decrease of approximately HK\$167.2 million as compared with the corresponding year ended 31 March 2024. The significant decline in revenue was mainly because several sizable awarded projects in prior years were substantially completed during the Review Year. Due to the continued downturn in the overall construction industry, the contract values of new foundation projects awarded had decreased when compared with those awarded in the past few years. The sharp decrease in revenue and higher amount of direct cost incurred for the newly awarded projects led to the decrease in overall gross profit margin from 18.2% to 15.2% for the Review Year. The increase in impairment losses on financial assets and contract assets, net from approximately HK\$0.1 million in last corresponding year to approximately HK\$9.2 million for the Review Year and the increase of administrative and other operating expenses by approximately HK\$9.6 million further weakened the financial performance for the Review Year. As a result, the Group recorded a net loss of approximately HK\$5.7 million whereas a net profit of approximately HK\$39.5 million was recorded in last corresponding year.

The Group encountered an extremely difficult financial year with shrinking construction market. The property developers was inclined to wait and see. It is expected that the construction industry remains sluggish in the coming two years. Facing a decline in size and number of foundation projects, the most feasible solution to maintain our Group's income stream is to expand our customer base by way of flexible pricing strategy, which has been effective in the past few years. Even though the construction industry is full of fierce competition, we are confident that the Group is well-positioned to achieve profitability. Meanwhile, the Group will adhere to the adoption of strict cost control measures so as to maximise the shareholders' return.

Financial Review

Revenue

The revenue of the Group was approximately HK\$166.3 million for the Review Year, representing a decrease of approximately HK\$167.2 million or 50.1% compared to the corresponding year ended 31 March 2024. The sharp decline in revenue was mainly because several sizeable foundation projects awarded in previous years were mostly completed and newly awarded projects were at their initial stages during the Review Year.

Gross profit and gross profit margin

The gross profit of the Group was approximately HK\$25.3 million for the Review Year, representing a decrease of approximately HK\$35.5 million or 58.3% when compared to the corresponding year ended 31 March 2024. The gross profit margin was approximately 15.2% for the Review Year, representing a drop of 3 percentage points compared to the corresponding year ended 31 March 2024 of approximately 18.2%.

The decrease in gross profit and reduced gross profit margin was attributed to the drop in revenue and higher amount of direct material cost and direct overhead incurred at the initial stage of the newly awarded foundation projects during the Review Year.

Other income and other gains

For the Review Year, the other income and other gains of the Group was approximately HK\$8.8 million, representing an increase of approximately HK\$4.4 million or 99.7% compared to the corresponding year ended 31 March 2024. The other income and other gains during the Review Year mainly represents the project management fee of approximately HK\$4.5 million (2024: approximately HK\$0.7 million) and interest income of approximately HK\$3.6 million (2024: approximately HK\$2.4 million) recognised.

Administrative and other operating expenses

For the Review Year, the administrative and other operating expenses was approximately HK\$31.9 million, representing an increase of approximately HK\$9.6 million or 42.8% compared to the corresponding year ended 31 March 2024. The increase was due to the increase in directors and staff benefits.

The Group will continue to implement stringent controls over the general expenditure.

Impairment losses on financial assets and contract assets, net

For the Review Year, the impairment losses on financial assets and contract assets, net was approximately HK\$9.2 million (2024: approximately HK\$0.1 million). This was a result of an increase in expected credit loss on trade receivables and contract assets.

Net (loss)/profit

As a result of the aforesaid, a net loss of the Group was approximately HK\$5.7 million for the Review Year (2024: a net profit approximately HK\$39.5 million).

Liquidity, Financial Position and Capital Structure

On 13 September 2024, the Company held an annual general meeting and an ordinary resolution was passed to approve the consolidation of every ten issued and unissued ordinary shares of par value of HK\$0.01 each in the share capital of the Company into one consolidated share of par value of HK\$0.10 each in the share capital of the Company. The share consolidation became effective on 17 September 2024 and the total number of issued shares of the Company became 400,000,000 shares. For details of the share consolidation, please refer to the announcements of the Company dated 23 July 2024 and 13 September 2024, and the circular of the Company dated 5 August 2024.

As at 31 March 2025, the Group had total bank balances of approximately HK\$85.2 million (2024: approximately HK\$93.4 million).

As at 31 March 2025, the Group had current and non-current lease liabilities of approximately HK\$0.5 million and HK\$0.2 million (2024: Nil).

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Gearing Ratio

As at 31 March 2025, the gearing ratio (calculated as total borrowings (which included lease liabilities) divided by the total equity) was 0.43% (2024: Nil).

Pledge of Assets

As at 31 March 2025, the Group had approximately HK\$5.0 million of bank deposit being pledged as surety bond for faithful performance in accordance to the contract between the Group entity and the customer (2024: approximately HK\$6.5 million). For the remaining bank deposits of approximately HK\$2.2 million, are pledged as banking facilities for the operations of the Group (2024: Nil).

Exposure to Foreign Exchange Rate Risks

As at 31 March 2025, the Group had approximately HK\$19.4 million bank deposits denominated in the United States dollar. Since Hong Kong dollar is pegged to United States dollar, the Group's exposure to the currency risk of United States dollar is not material.

Save as disclosed above, the Group only operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar, the Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange rate risk for the Review Year.

Capital Expenditure

During the Review Year, the Group invested approximately HK\$10.5 million in the purchase of property, plant and equipment. All these capital expenditures were financed by internal resources.

Capital Commitments

As at 31 March 2025, the capital commitments of the Group was approximately HK\$1.2 million.

Saved as disclosed above, as at 31 March 2025, the Group did not have any other material capital commitments.

Surety Bonds and Contingent Liabilities

Certain customers of construction contracts undertaken by the Group require the Group entity to issue guarantees for performance of contracts in the form of surety bonds secured by pledged deposits. In addition, the Group entity provided a corporate indemnity to insurance companies which issued such surety bonds.

As at 31 March 2025, the outstanding amount of such surety bonds of which the Group entity provided a corporate indemnity was approximately HK\$18.4 million (2024: approximately HK\$19.0 million).

Saved as disclosed above, as at 31 March 2025, the Group did not have any other material contingent liabilities.

Material Acquisition and Disposals of Subsidiaries and Associated Companies

During the Review Year, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

Significant Investment

During the Review Year, the Group had no significant investment.

Final Dividend

The Board has resolved not to recommend the declaration of any final dividend for the Review Year.

Future Plans for Material Investment or Capital Assets

The Group did not have any other plans for material investments or capital assets during the Review Year.

Employees and Remuneration Policy

As at 31 March 2025, the Group employed a total of 59 full-time employees (including executive Directors), as compared to a total of 54 full-time employees as at 31 March 2024. Remuneration is determined with reference to the market terms and the performance, qualifications and experience of the individual employee. In addition to basic salary, performance-linked bonus is offered to those staff with special contributions to the Group, in order to attract and retain capable employees. The total remuneration cost incurred by the Group for the Review Year was approximately HK\$44.4 million compared to approximately HK\$33.2 million in the corresponding year ended 31 March 2024.

Events after the Review Year

There is no material subsequent event undertaken by the Group after 31 March 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE/OTHER INFORMATION

Compliance with the Corporate Governance Code

The Group is committed to maintaining good corporate governance to safeguard the interest of shareholders and to achieve effective accountability. The Company has adopted and applied the principles as set out in “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of the corporate governance code (the “**CG code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). To the best knowledge of the Board, the Company has complied with all applicable code provisions set out in the CG code during the Review Year and up to the date of this announcement.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the required Model Code’s standard during the Review Year and up to the date of this announcement.

Share Option Scheme

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 3 September 2016. The principal terms of the Share Option Scheme are summarised in Appendix IV to the Prospectus. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 3 September 2016, and there is no outstanding share option as at 31 March 2025.

Competing Interests

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the Group’s business during the Review Year, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

Purchase, Sales or Redemption of the Company's Securities

For the Review Year and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

Directors' Interests in Contracts of Significance

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party for the Review Year.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules for the Review Year and up to the date of this announcement.

Annual General Meeting ("AGM")

The 2025 AGM will be held on Thursday, 28 August 2025. The notice of the AGM will be published and despatched to shareholders of the Company in the manner as required by the Listing Rules in due course.

Closure of Register of Members

The Hong Kong branch register of members of the Company will be closed from Monday, 25 August 2025 to Thursday, 28 August 2025 (both dates inclusive) for the purpose of ascertaining shareholders' entitlement to attend and vote at the forthcoming AGM. No transfer of shares may be registered on those dates. In order to qualify for the shareholders' entitlement to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates should be lodged with the Company's Branch Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on Friday, 22 August 2025.

Audit Committee

The Company established an audit committee (the "**Audit Committee**") on 3 September 2016 with written terms of reference in compliance with the CG code. The primary duties of the Audit Committee are to review the financial information of the Group, oversee the Group's financial report system, risk management and internal control procedures, provide advice and comments to the Board, and monitor the independence and objective of the external auditor and perform the corporate governance function.

The Audit Committee consists of three members who are all independent non-executive Directors, namely, Mr. Tam Wai Tak Victor, Mr. Law Ka Ho and Mr. Leung Wai Lim. Mr. Tam Wai Tak Victor is the chairman of the Audit Committee. The Audit Committee has reviewed the consolidated financial statements for the Review Year. The Audit Committee was of the opinion that the preparation of such results complied with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made.

Scope of Work of Auditors

The figures in respect of the Group's consolidated statement of financial position as at 31 March 2025, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the annual results announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's consolidated financial statements for the year ended 31 March 2025. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on this annual results announcement.

Appreciation

The Board would like to take this opportunity to express its sincere gratitude to the management team and staff for their hard work and contributions, and to our shareholders, investors and business partners for their trust and support.

Publication of Annual Results Announcement and Annual Report

The annual results announcement of the Company is published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.swgrph.com). The annual report of the Company for the Review Year will be despatched to the shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Shun Wo Group Holdings Limited
Wong Yan Hung
Chairman

Hong Kong, 26 June 2025

As at the date of this announcement, the executive directors of the Company are Mr. WONG Yan Hung, Mr. WONG Tony Yee Pong, Mr. LAI Kwok Fai and Ms. TO Kit Man, and the independent non-executive directors of the Company are Mr. LAW Ka Ho, Mr. LEUNG Wai Lim and Mr. TAM Wai Tak Victor.