

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*



**IN CONSTRUCTION HOLDINGS LIMITED**  
**現恆建築控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 1500)**

**ANNOUNCEMENT OF ANNUAL CONSOLIDATED RESULTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**ANNUAL CONSOLIDATED RESULTS**

The board of directors (the “**Board**”) of In Construction Holdings Limited (the “**Company**”) is pleased to present the annual consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2025, together with the comparative figures for the year ended 31 March 2024 as follows:

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 March 2025*

(Expressed in Hong Kong Dollars)

	<i>Note</i>	<b>2025</b> <b>\$'000</b>	2024 \$'000
<b>Revenue</b>	3	<b>273,600</b>	383,102
Direct costs		<u>(273,366)</u>	<u>(376,086)</u>
<b>Gross profit</b>		<b>234</b>	7,016
Other revenue	4	<b>1,781</b>	1,061
Administrative and other operating expenses		<u>(20,708)</u>	<u>(20,642)</u>
<b>Loss from operations</b>		<b>(18,693)</b>	(12,565)
Finance costs	5(a)	<u>–</u>	<u>(146)</u>
<b>Loss before taxation</b>	5	<b>(18,693)</b>	(12,711)
Income tax	6	<u>(218)</u>	<u>(144)</u>
<b>Loss and total comprehensive income for the year</b>		<u><b>(18,911)</b></u>	<u>(12,855)</u>
<b>Loss per share (Hong Kong cents)</b>			
Basic and diluted	7	<u><b>(2.3)</b></u>	<u>(1.5)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

(Expressed in Hong Kong Dollars)

	<i>Note</i>	<b>2025</b> <b>\$'000</b>	2024 \$'000
<b>Non-current assets</b>			
Property, plant and equipment		<b>220</b>	33
Deferred tax assets		<b>190</b>	241
		<u>410</u>	<u>274</u>
<b>Current assets</b>			
Contract assets		<b>230,499</b>	247,602
Inventories		<b>11,095</b>	18,399
Lease receivables		–	65
Trade and other receivables	8	<b>54,072</b>	50,348
Tax recoverable		–	11
Cash and bank balances		<b>72,999</b>	78,565
		<u>368,665</u>	<u>394,990</u>
<b>Current liabilities</b>			
Trade and other payables	9	<b>100,350</b>	113,892
Lease liabilities		–	65
Contract liabilities		<b>13,041</b>	6,727
Tax payable		<b>15</b>	–
Loan from a shareholder		<b>13,000</b>	13,000
		<u>126,406</u>	<u>133,684</u>
<b>Net current assets</b>		<u><b>242,259</b></u>	<u>261,306</u>
<b>Total assets less current liabilities</b>		<u><b>242,669</b></u>	<u>261,580</u>
<b>NET ASSETS</b>		<u><b>242,669</b></u>	<u>261,580</u>

	2025 \$'000	2024 \$'000
<b>CAPITAL AND RESERVES</b>		
Share capital	8,300	8,300
Reserves	<u>234,369</u>	<u>253,280</u>
<b>TOTAL EQUITY</b>	<u><u>242,669</u></u>	<u><u>261,580</u></u>

*Notes:*

## **1. GENERAL INFORMATION AND BASIS OF PRESENTATION**

The Group is principally engaged as a contractor in the foundation industry in Hong Kong. The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 29 September 2014 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 April 2015 (the "**Listing**").

The annual results set out in this announcement do not constitute the Group's financial statements for the year ended 31 March 2025 but are extracted from those financial statements.

The financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

## **2. CHANGES IN ACCOUNTING POLICIES**

The HKICPA has issued certain amended HKFRS Accounting Standards that are first effective for the current accounting period of the Group.

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants*
- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue from construction contracts earned during the year.

#### Segment information

The chief operating decision-maker regards the Group's business as a single operating segment and reviews financial statements accordingly. Also, the Group only engages its business in Hong Kong. Therefore, no segment information is presented.

### 4. OTHER REVENUE

	2025 \$'000	2024 \$'000
Bank interest income	556	587
Interest income from lease receivables	–	130
Sales of scrap materials	1,100	275
Others	125	69
	<u>1,781</u>	<u>1,061</u>

### 5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	2025 \$'000	2024 \$'000
(a) Finance costs		
Interest on lease liabilities	<u>–</u>	<u>146</u>
	<u>–</u>	<u>146</u>
(b) Staff costs (including directors' remuneration)		
Contributions to defined contribution retirement plans	730	785
Salaries, wages and other benefits	<u>32,266</u>	<u>32,162</u>
	<u>32,996</u>	<u>32,947</u>

	2025 \$'000	2024 \$'000
<b>(c) Other items</b>		
Depreciation	126	101
Lease payments relating to leases of low-value assets	40	40
Lease payments relating to short-term leases	1,192	1,192
Net foreign exchange loss	140	1,421
Provision for impairment losses on trade and other receivables and contract assets	1,335	55
Auditors' remuneration		
– audit services	980	1,080
– other services	420	420
	<u>          </u>	<u>          </u>

## 6. INCOME TAX

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 \$'000	2024 \$'000
<b>Current tax</b>		
Provision for Hong Kong Profits Tax for the year	167	149
Under-provision in respect of prior years	<u>–</u>	<u>10</u>
	167	159
Origination and reversal of temporary differences	<u>51</u>	<u>(15)</u>
	<u>218</u>	<u>144</u>

*Notes:*

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for the Company which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For the Company, the first \$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The provision for Hong Kong Profits Tax for 2025 has also taken into account a reduction of 100% of the tax payable for the year of assessment 2024-25 subject to a maximum reduction of \$1,500 granted by the Government for each business (2024: a reduction of 100% of the tax payable for the year of assessment 2023-24 subject to a maximum reduction of \$3,000).

## 7. LOSS PER SHARE

### (a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of \$18,911,000 (2024: \$12,855,000) and the weighted average of 830,000,000 shares in issue (2024: 830,000,000 shares).

### (b) Diluted loss per share

There were no diluted potential shares in existence during the years ended 31 March 2025 and 2024.

## 8. TRADE AND OTHER RECEIVABLES

	2025 \$'000	2024 \$'000
Trade debtors, net of loss allowance	44,423	23,807
Deposits, prepayments and other receivables (Notes (i) and (ii))	4,961	7,102
Retentions receivable, net of loss allowance (Note (iii))	4,688	19,439
	<u>54,072</u>	<u>50,348</u>

Notes:

- (i) As at 31 March 2025, except for the balance of \$3,538,000 (2024: \$3,613,000) which was expected to be recovered or recognised as expense after one year, all of the remaining balances were expected to be recovered or recognised as expense within one year.
- (ii) As at 31 March 2025, deposits of \$3,828,000 (2024: \$5,158,000) were pledged to secure the issuance of performance bonds.
- (iii) As at 31 March 2025 and 2024, all the retentions receivable were expected to be recovered within one year.



(a) *Ageing analysis*

Included in trade and other receivables are trade debtors, based on the invoice date (net of loss allowance) with the following ageing analysis at the end of the reporting period:

	2025 \$'000	2024 \$'000
Within 1 month	41,872	14,223
Over 1 month but within 2 months	–	8,757
Over 2 months but within 3 months	885	827
Over 3 months	1,666	–
	<u>44,423</u>	<u>23,807</u>

Trade debtors are normally due within 30-90 days from the date of billing.

9. **TRADE AND OTHER PAYABLES**

	2025 \$'000	2024 \$'000
Trade creditors	48,764	59,884
Provision for construction works ( <i>Note (i)</i> )	22,954	19,395
Other payables and accruals	28,632	34,613
	<u>100,350</u>	<u>113,892</u>

*Note*

(i) **Provision for construction works**

	2025 \$'000	2024 \$'000
At 1 April	19,395	10,498
Additional provisions made	3,559	9,172
Provision utilised	–	(275)
At 31 March	<u>22,954</u>	<u>19,395</u>

**(a) Ageing analysis**

Included in trade and other payables are trade creditors, based on the invoice date, with the following ageing analysis at the end of the reporting period:

	<b>2025</b>	2024
	<b>\$'000</b>	<b>\$'000</b>
Within 1 month	<b>37,082</b>	3,049
Over 1 month but within 2 months	<b>4,671</b>	49,612
Over 2 months but within 3 months	<b>4,714</b>	2,010
Over 3 months	<b>2,297</b>	5,213
	<hr/>	<hr/>
	<b>48,764</b>	59,884
	<hr/>	<hr/>

**10. DIVIDENDS**

The Board of directors has resolved not to declare any final dividend for the year ended 31 March 2025 (2024: nil).

**11. CONTINGENT LIABILITIES**

As at 31 March 2025, the Group had contingent liabilities in respect of performance bonds to guarantee for the due and proper performance of the obligations undertaken by the Group's subsidiary for projects amounting to \$58,524,000 (2024: \$112,229,000) in its ordinary course of business. The performance bonds are expected to be released in accordance with the terms of the respective construction contracts.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS AND FINANCIAL REVIEW

The Group is principally engaged as a contractor in the foundation industry in Hong Kong, undertaking foundation works as well as associated works including demolition works, site formation works, ground investigation field works and general building works for local customers.

#### Business Review

The Group has been engaged to undertake foundation and associated works in the private sector construction projects in Hong Kong, with an emphasis on design and build projects and undertaking the role as a main contractor.

The Group places emphasis on design and build projects because of the flexibility and capability in coming up with foundation design plan that suits its customers' requirements and the site conditions. During the Financial Year 2024/25, the Group has successfully carried out construction works with alternative design which not only complies with the technical requirements but also be more cost efficient for "design and build" contracts.

During the Financial Year 2024/25, no new project was awarded to the Group. As at 31 March 2025, six projects with the outstanding contract sum of HK\$416.4 million were all in progress.

<b>Year of award/project</b>	<b>Type of contract</b>	<b>Status as at 31 March 2025</b>
<i>Year 2020-2021</i>		
Wo Shang Wai	Monitoring and maintenance	Work in progress
Des Voeux Road Central	Design and build	Work in progress
<i>Year 2022-2023</i>		
Robinson Road 27D-F	Design and build	Work in progress
<i>Year 2023-2024</i>		
Robinson Road 105	Design and build	Work in progress
Tai Po Kau 234	Design and build	Work in progress
Coombe Road 38	Design and build	Work in progress

## Financial Review

During the Financial Year 2024/25, there were 10 projects contributing revenue and gross profit of approximately HK\$273.6 million and HK\$0.2 million, respectively, whereas revenue and gross profit for the Financial Year 2023/24 of HK\$383.1 million and HK\$7.0 million, respectively were contributed by 11 projects. Top three projects contributed revenue amounted to HK\$234.7 million (2024: HK\$240.1 million), in which the top project contributed 44.7% of the total revenue.

The Group recorded a decrease in contract revenue for the year ended 31 March 2025 by approximately HK\$109.5 million as compared with that of the corresponding year in 2024. Gross profit decreased by approximately HK\$6.8 million, to approximately HK\$0.2 million for the current year from approximately HK\$7.0 million for the corresponding year in 2024. Gross profit margin decreased to 0.1% for the current year from 1.8% for the corresponding year in 2024. Such decrease was primarily attributable to, among other factors, provision for liquidated and ascertained damages of certain foundation projects as a result of unexpected delays in progress, and changes in the estimation of variation orders from completed projects in prior years.

Administrative and other operating expenses increased by approximately HK\$0.1 million to approximately HK\$20.7 million, compared with approximately HK\$20.6 million for the Financial Year 2023/24.

As a result, loss for the Financial Year 2024/25 was HK\$18.9 million, whereas loss for the last financial year was HK\$12.9 million.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	<b>As at 31 March</b>	
	<b>2025</b>	2024
Current ratio	<b>2.9</b>	3.0
Gearing ratio <sup>1</sup>	<b>5.4%</b>	5.0%

*Note:*

1. Gearing ratio is calculated based on debts including lease liabilities and shareholder's loan divided by the total equity as at the reporting dates.

Gearing ratio increased by 0.4 percentage point as at 31 March 2025 as compared to that as at 31 March 2024 was mainly due to decrease in equity as a result of loss incurred during the year ended 31 March 2025.

As at 31 March 2025, the Group had cash and bank balances of HK\$73.0 million (2024: HK\$78.6 million), of which HK\$41.6 million (2024: HK\$43.9 million) were restricted bank balances. Such restricted bank balances were held for the purpose of the issuance of surety bonds for our projects and requirement of our general banking facilities. As at 31 March 2025, the Group had no bank overdrafts (2024: Nil).

The capital structure of the Group consisted of equity of HK\$242.7 million, with HK\$13.0 million debts as at 31 March 2025.

The Group adopts a prudent approach in cash management. Apart from shareholder's loan, the Group did not have any material outstanding debts as at 31 March 2025. Payment to settle trade payable represented the significant part of the cash outflow of the Group. Taking into account the light debt leverage, the Group is able to generate cash and meet upcoming cash requirements. In any case, the Group may utilise its banking facilities of HK\$190.0 million, of which the unutilised and unrestricted banking facilities amounted to approximately HK\$150.1 million.

## **EMPLOYEES**

The Group had 47 full-time employees as at 31 March 2025 (2024: 48). The Group offers a competitive remuneration package that is based on the overall market rates and employee performance, as well as the performance of the Group. The remuneration package comprised of salary, a performance-based bonus, and other benefits including training and mandatory provident funds.

## **CAPITAL COMMITMENTS**

The Group had no capital commitments as at 31 March 2025 (2024: Nil).

## **CONTINGENT LIABILITIES**

Save as disclosed in note 11 to this announcement, the Group had no other contingent liabilities as at 31 March 2025.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

There were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the Financial Year 2024/25. There is no other plan for material investments or capital assets as at 31 March 2025.

## **FUTURE PROSPECTS**

Taking into account the Government of the Hong Kong Special Administrative Region's policy in increasing land supply and commitment to infrastructure investments, the Group expects a rebound in the foundation industry in the medium run. Despite the vigorous competition in the Hong Kong construction industry, the Board is confident with the Group's future development in its net profit and scale of operations due to its long established reputation, the listing platform and healthy financial position. To maintain its competitive edge, the Group will continue to adhere to its business strategy, by expanding our capacity to capture more business opportunities, reinforcing its capability in foundation design and project management skills, and offering qualitative and flexible solution to its customers.

## **DIVIDENDS**

The Board has resolved not to declare a final dividend for the Financial Year 2024/25.

## **CLOSURE OF REGISTER OF MEMBERS**

In order to establish entitlements to attend and vote at the 2024/2025 AGM, the register of members of the Company will be closed from Tuesday, 9 September 2025 to Friday, 12 September 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. Shareholders of the Company are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar (Branch Share Registrar) in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 8 September 2025.

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

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

## **EVENTS AFTER THE REPORTING PERIOD**

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2025 and up to the date of this announcement.

## **CORPORATE GOVERNANCE**

The Company recognises the importance of corporate transparency and accountability. The Company is committed in achieving a high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures.

Since Listing, the Board is of the opinion that the Company had applied and complied with the code provisions as set out in the Corporate Governance Code (the “**Code**”) contained in Appendix C1 to the Listing Rules except for the deviation from provision C.2.1 of the Code which is explained below:

According to provision C.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. LAU Pak Man is the Chairman and Chief Executive Officer, responsible for overall strategic development, project management and client management of the Group. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in Mr. LAU Pak Man has the benefit of ensuring consistent and continuous planning and execution of the Company’s strategies. The Board considers that the balance of power and authority, accountability and independent decision-making under the present arrangement will not be impaired in light of the diverse background and experience of the independent non-executive Directors, and the composition of the Board which comprises equal number of independent non-executive Directors and executive Directors also provides added independence to the Board. Further, the audit committee of the Company (the “**Audit Committee**”) composed exclusively of independent non-executive Directors has free and direct access to the Company’s external auditors and independent professional advisers when it considers necessary.

#### **AUDIT COMMITTEE REVIEW**

The Audit Committee consists of three independent non-executive Directors and has reviewed the Group’s consolidated financial statements for the year ended 31 March 2025.

#### **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules as its own code of conduct of dealings in securities of the Company by Directors (the “**Model Code**”). Upon specific enquiries of all the Directors, each of them confirmed that they have complied with the required standards set out in the Model Code during the year.

#### **SCOPE OF WORK OF AUDITORS**

The figures in respect of the Group’s consolidated statement of financial position, 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 preliminary announcement have been agreed by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS, ANNUAL REPORT AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT**

This results announcement is published on the Company's website at *www.inconstruction.hk* and the Stock Exchange's website at *www.hkexnews.hk*. The 2024/2025 Annual Report and 2024/2025 Environmental, Social and Governance Report will be despatched to shareholders upon request and will also be published on the websites of both the Stock Exchange and the Company in due course.

## **APPRECIATION**

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates and other professional parties for their support throughout the year.

By order of the Board  
**In Construction Holdings Limited**  
**LAU Pak Man**  
*Chairman*

Hong Kong, 27 June 2025

*As at the date of this announcement, the Board comprises Mr. LAU Pak Man, Mr. CHENG Wing Cheong and Ms. KWAN Kit Sum Kit as executive Directors; Mr. LEUNG Chi Kin, Mr. LAM Chi Hung Louis and Ms. Mok Kam Sheung as independent non-executive Directors.*