

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.



Sang Hing Holdings (International) Limited

生興控股（國際）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1472)

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

FINANCIAL HIGHLIGHTS			
	2025	2024	Increase/ (Decrease)
	HK\$'000	HK\$'000	%
Revenue	194,780	116,469	67.2
EBITDA	(58)	(825)	(93.0)
Loss before tax	(6,845)	(8,376)	(18.3)
Loss for the year attributable to owners of the Company	(9,095)	(6,356)	43.1
Loss per share attributable to owners of the Company			
Basic and diluted (<i>HK cents</i>)	(0.91)	(0.64)	42.2

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Sang Hing Holdings (International) Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as 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

		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	5	194,780	116,469
Cost of services		<u>(191,011)</u>	<u>(112,299)</u>
Gross profit		3,769	4,170
Other income and other gain or loss, net	6	14,536	13,366
Administrative and operating expenses		<u>(24,854)</u>	<u>(25,782)</u>
Loss from operations		(6,549)	(8,246)
Finance costs	7	<u>(296)</u>	<u>(130)</u>
Loss before tax	8	(6,845)	(8,376)
Income tax (expense)/credit	9	<u>(2,250)</u>	<u>2,020</u>
Loss and total comprehensive loss for the year		<u>(9,095)</u>	<u>(6,356)</u>
Loss and total comprehensive loss for the year attributable to owners of the Company		<u>(9,095)</u>	<u>(6,356)</u>
Loss per share attributable to owners of the Company			
Basic and diluted (<i>HK cents</i>)	11	<u>(0.91)</u>	<u>(0.64)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		22,044	11,122
Right-of-use assets		1,161	1,813
Contract assets		538	3,283
		23,743	16,218
Current assets			
Trade receivables	12	14,186	12,548
Contract assets		90,131	62,117
Prepayments, deposits and other receivables		169,606	184,016
Financial assets at fair value through profit or loss		527	428
Pledged bank deposits		4,494	4,346
Cash and cash equivalents		28,691	42,263
		307,635	305,718
Current liabilities			
Trade and retention payables	13	26,029	11,549
Other payables and accruals		7,247	5,328
Contract liabilities		1,289	–
Lease liabilities		385	996
		34,950	17,873
Net current assets		272,685	287,845
Total assets less current liabilities		296,428	304,063

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current liabilities			
Deferred tax liabilities		2,319	797
Lease liabilities		176	238
		<u>2,495</u>	<u>1,035</u>
Net assets		<u>293,933</u>	<u>303,028</u>
Capital and reserves			
Share capital		10,000	10,000
Reserves		283,933	293,028
Total equity attributable to owners of the Company		<u>293,933</u>	<u>303,028</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL

The Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 25 June 2018 and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 17 March 2020. The registered office address and principal place of business of the Company are Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and Room 215A-B, 2/F, Central Services Building, Nan Fung Industrial City, No. 18 Tin Hau Road, Tuen Mun, New Territories, Hong Kong, respectively.

The Company’s immediate and ultimate holding company is Worldwide Intelligence Group Limited (“**Worldwide Intelligence**”), a company incorporated in the British Virgin Islands. Worldwide Intelligence is controlled by Mr. Lai Wai (“**Mr. Lai**”) who is the chairman and executive director of the Company. Worldwide Intelligence and Mr. Lai are referred to as the controlling shareholders of the Company.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are provision of civil engineering works service and related services.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Group. All values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRS ACCOUNTING STANDARDS**”)

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 Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

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

The application of these amendments to HKFRS Accounting Standards in the current year 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.

New and amendments to HKFRS Accounting Standards that have been issued 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 ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

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

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except as described below, the directors of the Company anticipate that the application of the 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 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. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period.

The preparation of the Group’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

4. SEGMENT INFORMATION

(i) Operating segment information

The Group’s most senior executive management has been identified as the executive directors who review the Group’s internal reporting in order to assess performance and allocate resources. The Group’s most senior executive management has determined the operating segments based on these reports.

The Group’s most senior executive management assesses the performance based on a measure of profit after income tax and considers all businesses to be included in a single operating segment.

The Group is principally engaged in the business of civil engineering works service and related services in Hong Kong. Information reported to the Group’s most senior executive management for the purpose of resources allocation and performance assessment, focuses on the operating result of the Group as a whole as the Group’s resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating and geographical segment information is presented.

(ii) **Information about major customers**

Revenue from customers during the years ended 31 March 2025 and 2024 contributing individually over 10% of the Group's revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	<u>194,780</u>	<u>116,469</u>

5. REVENUE

The Group's revenue represents the amount received and receivable for revenue arising on civil engineering works service and related services which is recognised over time.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from civil engineering works	<u>194,780</u>	<u>116,469</u>

6. OTHER INCOME AND OTHER GAIN OR LOSS, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	307	386
Government and other subsidies (<i>note (i)</i>)	94	–
Gain on disposal of property, plant and equipment	48	7
Loss on disposal of financial assets at fair value through profit or loss (“FVTPL”)	–	(171)
Gain/(loss) on change in fair value of financial assets at FVTPL	99	(130)
Management fee income (<i>note (ii)</i>)	13,072	12,945
Compensation from insurance	856	–
Dividend income from equity securities listed in Hong Kong	34	146
Sundry income	<u>26</u>	<u>183</u>
	<u>14,536</u>	<u>13,366</u>

Notes:

- (i) The amount of approximately HK\$94,000 related to other subsidy under EX-Gratia Payment Scheme provided by the Government of the Hong Kong Special Administrative Region. There are no unfulfilled conditions or contingencies relating to these subsidies.
- (ii) Management fee income represented the management fee received from the Sang Hing – Kuly Joint Venture. The Group will receive management fee income until the completion of Projects W58 and W59.

7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank overdrafts	238	21
Interest on lease liabilities	58	109
	<u>296</u>	<u>130</u>

8. LOSS BEFORE TAX

Loss before tax is arrived at after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditors' remuneration		
– Audit services	1,200	1,200
– Non-audit services	250	250
Depreciation of property, plant and equipment	5,427	6,350
Depreciation of right-of-use assets	1,064	1,071
Less: amounts included in cost of services	<u>(5,171)</u>	<u>(5,985)</u>
	<u>1,320</u>	<u>1,436</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Directors' remuneration		
– Other emoluments (fees, salaries, allowance, bonus and benefits in kind)	2,150	3,064
– Retirement benefit scheme contributions	–	9
Staff costs (excluding directors' remuneration)		
– Wages, salaries, allowance and bonus	46,059	39,449
– Retirement benefits schemes contributions	1,158	1,166
	<u>47,217</u>	<u>40,615</u>
<i>Less:</i> amounts included in cost of services	<u>(30,021)</u>	<u>(23,428)</u>
	<u>17,196</u>	<u>17,187</u>
Subcontracting costs	101,773	32,623
Allowance for expected credit loss (“ECL”) on financial assets at amortised cost	31	164
Short-term lease expenses	101	99
	<u><u>101</u></u>	<u><u>99</u></u>

9. INCOME TAX EXPENSE/(CREDIT)

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) of the estimated assessable profits arising in Hong Kong during the year.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Provision for Hong Kong profits tax:		
– Current tax	–	–
– Underprovision in prior years	728	18
Deferred taxation	1,522	(2,038)
	<u><u>2,250</u></u>	<u><u>(2,020)</u></u>

10. DIVIDENDS

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

11. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year of approximately HK\$9,095,000 (2024: HK\$6,356,000) and the weighted average number of ordinary shares of the Company in issue during the year.

	2025	2024
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u>1,000,000,000</u>	<u>1,000,000,000</u>

No diluted loss per share for both years is presented as there was no potential dilutive ordinary shares in issue during both years.

12. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	<u>14,186</u>	<u>12,548</u>

As at 1 April 2023, trade receivables amounted to HK\$25,015,000.

The average credit period on construction works is 30 days.

An aging analysis of trade receivables as at the end of the reporting period, based on the invoice date, is as follows. The analysis below is net of allowance for ECL:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0-30 days	<u>14,186</u>	<u>12,548</u>

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

13. TRADE AND RETENTION PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	24,132	9,566
Retention payables	<u>1,897</u>	<u>1,983</u>
	<u>26,029</u>	<u>11,549</u>

The credit period on trade payables is up to 60 days. Aging analysis of trade payables at the end of each reporting period, based on invoice dates, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0-30 days	13,837	2,805
31-60 days	2,890	1,832
61-90 days	155	629
Over 90 days	<u>7,250</u>	<u>4,300</u>
	<u>24,132</u>	<u>9,566</u>

14. SUBSEQUENT EVENTS

On 30 April 2025, a joint operation formed between Sang Hing Civil Contractors Company Limited, a wholly-owned subsidiary of the Company, and Kuly Construction & Engineering Company Limited was awarded a tender for a civil engineering project in relation to site formation and infrastructure works for public housing development at A Kung Ngam Village, Eastern, Hong Kong, with contract sum of approximately HK\$442 million which the contract period is from May 2025 to September 2029.

Save as disclosed above, the Group had no material events for disclosure subsequent to 31 March 2025 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FINANCIAL RESULTS

The Group is an established main contractor with over 20 years of experience specialising in a variety of civil engineering works, including site formation, road and bridge construction, drainage and sewerage construction, watermain installation and slope works in Hong Kong. We are a Group C contractor under the Site Formation and Roads and Drainage categories with confirmed status and are qualified to tender for public works contracts of any values exceeding HK\$400 million.

The Group was awarded a tender in May 2024 for a civil engineering project in relation to site formation and engineering infrastructure works in Hung Shui Kiu/Ha Tsuen New Development Area, Hong Kong (Project W61), with contract sum of approximately HK\$560 million which the contract period is from June 2024 to December 2028. In additions, the Group was also awarded two tenders in March and May 2025 respectively for civil engineering projects in relation to site formation and infrastructure works for public housing development at three urban squatter areas in Kowloon East, Hong Kong, namely, Cha Kwo Ling Village, Chuk Yuen United Village and Ngau Chi Wan Village (Project W62), with contract sum of approximately HK\$668 million which the contract period is from March 2025 to October 2029, and in relation to site formation and infrastructure works for public housing development at A Kung Ngam Village, Eastern, Hong Kong (Project W63), with contract sum of approximately HK\$442 million which the contract period is from May 2025 to September 2029, total contract sum of the two projects are HK\$1,110 million.

For the year ended 31 March 2025, the Group's revenue was approximately HK\$194.8 million (2024: approximately HK\$116.5 million), representing an increase of 67.2% as compared with last year. The loss attributable to shareholders for the year ended 31 March 2025 was approximately HK\$9.1 million (2024: approximately HK\$6.4 million), representing an increase in loss of 43.1% as compared to last year. The increase in loss for the year was mainly due to decrease in deferred tax recovery income.

Analysis of revenue and management fee income of each project during the year ended 31 March 2025 was as follows:

Project Code	Type of works	Location	2025 HK\$'000	2024 HK\$'000
On-going projects				
W58	Construction of sewers and sewerage system	Northern Tuen Mun	9,406	2,401
W59	Site formation and infrastructure works for public housing developments	Kam Tin South, Yuen Long	3,666	10,544
W60	Temporary construction waste sorting facilities	Tseung Kwan O and Tuen Mun	82,318	77,047
W61	Site formation and engineering infrastructure works	Hung Shui Kiu/ Ha Tsuen New Development Area	104,664	–
W62	Site formation and infrastructure works for public housing developments	Kowloon East	144	–
Projects completed or substantially completed				
W55	Development of columbarium and infrastructural works	North District	–	24,423
W57	Development of Long Valley Nature Park	North District	7,654	14,999
Total			<u>207,852</u>	<u>129,414</u>

During the year ended 31 March 2025, we recognised revenue and management fee income from six projects in total, of which one project was substantially completed. The revenue for the year ended 31 March 2025 was increased as compared with last year mainly due to increased in revenue from Project W61 in which its contract period begun from June 2024.

The gross profit margin for the year ended 31 March 2025 was 1.9% (2024: 3.6%). The gross profit margin was decreased and kept at low gross profit margin during the year ended 31 March 2025 which was due to work progress of Project W61 at the early stage of its contract period with low profit margin contract works completed and increase in price of materials and subcontracting charges during the year.

Other income and other gain or loss, net for the year ended 31 March 2025 amounted to approximately HK\$14.5 million (2024: approximately HK\$13.4 million), representing an increase of 8.8% as compared with last year, which was due to increase in compensation from insurance.

Administrative and operating expenses for the year ended 31 March 2025 amounted to approximately HK\$24.9 million (2024: approximately HK\$25.8 million), representing a decrease of 3.6% as compared with last year, which was mainly due to decrease in directors' remuneration and general administrative expenses.

As at 31 March 2025, prepayments, deposits and other receivables mainly represented amounts paid for insurance and subcontracting fee prepayments, deposits for material purchases, deposits for rental and utilities and other receivables. During the year, prepayments, deposits and other receivables were decreased by approximately HK\$14.4 million which was mainly utilised in Projects W60, W61 and W62. The Group ensures that subcontractors or suppliers have the necessary funds to initiate work promptly, facilitating smoother project execution and reducing the risk of delays due to financial constraints. This proactive cash flow management is crucial for maintaining project timelines and ensuring that all stakeholders, including subcontractors and customers, are aligned and committed to the construction project's success.

The management considered the financial health of the subcontractors or suppliers that the Group has made payments to and for, and considered their creditworthiness and conducted cashflow analysis. In evaluating their financial stability and creditworthiness, the management reviewed their financial performance, credit ratings and other relevant financial indicators. The management also took into account such subcontractors' historical performance in terms of fulfilling contracts and ability to meet financial obligations, including repayment of receivables in order to reduce the credit risk.

Furthermore, as previously disclosed in the Company's announcements dated 26 March 2025 and 30 April 2025, the Group was awarded two new tenders in March and May 2025 respectively for Projects W62 and W63. As the Group's existing subcontractors or suppliers would participate in such projects, the management considers that the prepayments and payments previously made to them would be utilised in ensuring the reliable performance in such projects, thereby benefiting the Group in the long run.

OUTLOOK

Looking forward for the next year, the Group will take part in tenders for projects from various government departments more rigorously and actively, especially those from the Civil Engineering and Development Department and Drainage Services Department, in order to secure more revenue from engineering projects. Due to the fierce competition in the market and the increased technical requirements of the clients for bidding projects, it has become increasingly more difficult to successfully win bids for projects. We will enhance the Group's bidding advantages and capabilities and strive for more successful bids for projects.

We expect that the Russia-Ukraine war and military conflict in Middle East area will continue, the global financial and energy markets will remain volatile and the prices of energy and raw materials will remain high. Geopolitical uncertainties may result in the disruption of the raw material supply chain, which in turn leads to a shortage of supply. Despite the Group's business suffering fewer adverse effects than other industries, we expect our operating cost to remain high and the price will continue to increase in the coming year. The Group will take all reasonable measures to save energy and enhance the efficiency of resource utilisation, so as to control costs.

Based on the two projects (W62 and W63) secured in March and May 2025 with a total contract sum of HK\$1,110 million, the Group's contracted projects and current operational plans, we expect revenue to improve in forthcoming years. However, this outlook is subject to market volatility and other external factors. We anticipate continued challenges in managing direct costs and expenses due to fluctuating market conditions, which could impact projected margins.

The Group will capitalise its competitive advantages after listing to secure more projects, and to actively participate in bidding for works of the Hong Kong Government to achieve increase revenue. In additions, the Group will also explore various chances in construction industry to create greater value for shareholders.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The uses of cash of the Group are mainly for the financing of the operations and working capital requirements. The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers.

As at 31 March 2025, the Group had cash and cash equivalents of approximately HK\$28.7 million (2024: approximately HK\$42.3 million) and pledged bank deposit of approximately HK\$4.5 million (2024: approximately HK\$4.3 million). The decrease of approximately HK\$13.6 million in cash and cash equivalents was mainly used in acquisition of property, plant and equipment. All of the bank balances were placed with banks in Hong Kong and are denominated in Hong Kong dollars. As at 31 March 2025, the Group had not experienced any liquidity problems in settling its payables in the normal course of business.

Additionally, as at 31 March 2025, the Group had unutilised banking facilities amounting to approximately HK\$75 million (2024: approximately HK\$75 million).

There has been no change in the capital structure of the Company during the year ended 31 March 2025. The capital of the Group only comprises ordinary shares. As at 31 March 2025, the total number of issued ordinary shares of the Company was 1,000,000,000 of HK\$0.01 each.

GEARING RATIO

As at 31 March 2025, the Group's gearing ratio was approximately 0.2% (2024: approximately 0.4%). The gearing ratio is calculated by dividing lease liabilities by total equity and expressed as a percentage. With available bank balances and cash, the directors of the Company are of the view that the Group has sufficient liquidity to satisfy the funding requirements.

TREASURY POLICY

The directors of the Company will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

FOREIGN EXCHANGE EXPOSURE

All of the revenue-generating operations of the Group were denominated in Hong Kong dollars. There was no exposure to foreign exchange rate fluctuations. As such, no hedging or other arrangements was made by the Group during the years ended 31 March 2025 and 2024.

SIGNIFICANT INVESTMENTS, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 March 2025, the Group did not have any significant investments. There was no plan for any material investments or other additions of capital assets as at the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2025.

PLEDGE OF ASSETS

As at 31 March 2025, the Group pledged its bank deposits of approximately HK\$4.5 million (2024: approximately HK\$4.3 million) as securities for the Group's banking facilities (including letter of credit, bank overdrafts and performance bonds).

CONTINGENT LIABILITIES

As at 31 March 2025 and 2024, the Group did not have any material contingent liabilities.

CAPITAL COMMITMENTS

As at 31 March 2025 and 2024, the Group did not have any material capital commitments.

EMPLOYEE AND REMUNERATION POLICY

As at 31 March 2025, the Group had a total of 147 employees (2024: 98) who were directly employed by the Group in Hong Kong. The staff costs, including Directors' emoluments, of the Group amounted to approximately HK\$49.4 million for the year ended 31 March 2025 (2024: approximately HK\$43.7 million).

The remuneration package the Group offered to the employees includes salary, bonuses and other cash subsidies. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. Share options are also available to the Group's employees. The Group provides various types of training to the employees and sponsors the employees to attend various training courses, including those on occupational health and safety in relation to the work. Such training courses include the internal training as well as courses organised by external parties such as the Construction Industry Council and the Occupational Safety and Health Council. The safety officers also provide training to the workers before the commencement of work.

USE OF PROCEEDS FROM THE SHARE OFFER

The net proceeds received by the Company from public offer of the Company's shares in March 2020 were approximately HK\$79.8 million after deducting the listing expenses of approximately HK\$45.2 million. As at 31 March 2025, the Group has fully utilised the net proceeds.

As at 31 March 2025, the net proceeds had been utilised as follows:

Intended use of net proceeds	Net proceeds <i>HK\$' million</i>	Amount not yet utilised as at 31 March 2024 <i>HK\$' million</i>	Amount utilised during the year ended 31 March 2025 <i>HK\$' million</i>	Amount not yet utilised as at 31 March 2025 <i>HK\$' million</i>
Acquisition of additional plant and machinery	58.3	3.6	3.6	–
Recruitment and retiring additional staff	3.4	–	–	–
Costs for upgrading information technology system	2.9	–	–	–
Additional working capital	15.2	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
Total	79.8	3.6	3.6	–
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The actual application of the net proceeds was slower than expected and such a delay was mainly due to (i) the impact of the COVID-19 pandemic, which has caused delays in certain of our projects; (ii) the delay of the projects due to inclement weather; (iii) the delay in projects due to clients have changed the design of the project and/or order in variations; and (iv) the difficulty in recruiting suitable candidates.

FINAL DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

For determining the shareholders' eligibility to attend and vote at the forthcoming annual general meeting of the Company to be held on Thursday, 4 September 2025 ("AGM"), the register of members of the Company will be closed from Monday, 1 September 2025 to Thursday, 4 September 2025, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents, accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office 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 Friday, 29 August 2025.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules) during the year ended 31 March 2025.

SHARE OPTION SCHEME

On 29 January 2020, the then shareholders of the Company approved and conditionally adopted a share option scheme (the "**Share Option Scheme**"). No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption and there was no share option outstanding as at 31 March 2025.

LITIGATION

As at the date of this announcement, all of the claims brought against the Group have been settled. The Directors are of the view that the amount to be borne by the Group in respect of the cost of the common law personal injury claims will be covered by the relevant insurance taken out by the Group. Therefore, the Group has not made provision to cover the potential liability under the above claims.

CORPORATE GOVERNANCE PRACTICES

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance, transparency and accountability, earning the confidence of shareholders and the public. In order to comply with the requirements under the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules, the Company has adopted various measures to ensure the high standard of corporate governance is maintained.

The Board is of the opinion that the Company has complied with the code provisions as set out in Part 2 of the CG Code during the year ended 31 March 2025, except for the deviations as stated below.

Under code provision C.5.1 of the CG Code, the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the year ended 31 March 2025, only three board meetings were held to review and discuss the annual results, interim results and the Environmental, Social and Governance report. The Board considers that the three meetings were sufficient to deal with matters of the Group. Apart from Board meetings, consent of Directors on issues was also sought through circulating resolutions in writing.

Under code provision D.1.2 of the CG Code, the management should provide all members of the Board with monthly updates giving balanced and understandable assessment of the Company’s performance, position and prospects in sufficient details. During the year ended 31 March 2025, the management has provided all members of the Board updates on any material changes to the performance, position and prospects of the Company and sufficient information for matters brought before the Board.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

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 securities transactions by the Directors and the Company’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company’s securities.

The Company has made specific enquiries to all the Directors and all the Directors have confirmed their compliance with the Model Code during the year ended 31 March 2025. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Company during the year ended 31 March 2025.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The financial 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 this announcement have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on this announcement.

AUDIT COMMITTEE

The Company has established the audit committee (the "**Audit Committee**") with written terms of reference in compliance with the Listing Rules. The Audit Committee consists of four members, namely, Prof. Leung Yee Tak, Mr. Ho Tai Tung, Ms. Tsang Wing Kiu and Mr. Choi Ho Yan, all being independent non-executive Directors. Mr. Choi Ho Yan is the chairman of the Audit Committee.

The Audit Committee has, inter alia, reviewed the consolidated financial statements of the Group for the year ended 31 March 2025, including the accounting principles and practices adopted by the Group, as well as the risk management and internal control systems of the Group.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and on the Company's website (<http://www.sang-hing.com.hk>). The annual report for the year ended 31 March 2025 will be despatched to the shareholders and available on the above websites in due course.

By order of the Board
Sang Hing Holdings (International) Limited
Lai Wai
Chairman and Executive Director

Hong Kong, 27 June 2025

As at the date of this announcement, the executive Directors are Mr. Lai Wai and Mr. Lai Ying Wah; and the independent non-executive Directors are Prof. Leung Yee Tak, Mr. Ho Tai Tung, Ms. Tsang Wing Kiu and Mr. Choi Ho Yan.