Wing Lee Development Construction Holdings Limited

榮利營造控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 9639

2024/2025

ANNUAL REPORT

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Definitions

"AGM"	the annual general meeting of the Company to be held on 18 September 2025
"Articles of Association"	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"Company"	Wing Lee Development Construction Holdings Limited (榮利營造控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 17 May 2024, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 9639)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, means Mr. Yiu Wang Lee, Mr. Yiu Wang Lung, Mr. Chan Lo Man and Wing Lee Green Development Limited
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Deed of Non-competition"	the deed of non-competition dated 20 September 2024 entered into by the Controlling Shareholders in favour of the Company (for itself and for the benefit of each of its subsidiaries) regarding the non-competition undertakings, details of which are set out in the paragraph headed "Relationship with Controlling Shareholders — Deed of Non-competition" in the Prospectus
"Director(s)"	the director(s) of our Company
"Group", "we", "us" or "our Group"	our Company and our subsidiaries at the relevant time or, where the context otherwise requires, in respect of the period prior to our Company becoming the holding company of our present subsidiaries, our present subsidiaries and the businesses operated by such subsidiaries or their predecessors (as the case may be)
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS(s)"	Hong Kong Financial Reporting Standards (including Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Listing"	listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	9 October 2024, being the date on which dealings in the Shares first commenced on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, modified and supplemented from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Board
"PRC"	the People's Republic of China, which for the purpose of this annual report, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, the PRC
"Previous Year"	the year ended 31 March 2024
"Prospectus"	the prospectus of the Company dated 27 September 2024
"Remuneration Committee"	the remuneration committee of the Board
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto under the Listing Rules, unless the context otherwise requires
"substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"Year"	the year ended 31 March 2025
"%"	per cent

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Yiu Wang Lee *(Chairman of the Board and Chief Executive Officer)*
Mr. Yiu Wang Lung *(Deputy chairman of the Board)*
Mr. Chan Lo Man
Ms. Tse Ka Wing *(resigned with effect from 14 July 2025)*

Independent Non-executive Directors

Mr. Shang Hailong
Mr. Fu He
Mr. Leung Wai Hung *(resigned with effect from 14 July 2025)*
Ms. Xu Jing *(appointed with effect from 14 July 2025)*

BOARD COMMITTEES

Audit Committee

Mr. Leung Wai Hung *(Chairperson) (resigned with effect from 14 July 2025)*
Ms. Xu Jing *(Chairperson) (appointed with effect from 14 July 2025)*
Mr. Shang Hailong
Mr. Fu He

Remuneration Committee

Mr. Shang Hailong *(Chairperson)*
Mr. Leung Wai Hung *(resigned with effect from 14 July 2025)*
Ms. Xu Jing *(appointed with effect from 14 July 2025)*
Mr. Yiu Wang Lee

Nomination Committee

Mr. Yiu Wang Lee *(Chairperson)*
Mr. Shang Hailong
Mr. Fu He
Ms. Xu Jing *(appointed with effect from 14 July 2025)*

COMPANY SECRETARY

Ms. Tse Ka Wing *(resigned with effect from 26 March 2025)*
Ms. Peng Liting (ACG,HKACG) *(appointed with effect from 26 March 2025)*

AUTHORISED REPRESENTATIVES

Mr. Yiu Wang Lee
Ms. Tse Ka Wing *(resigned with effect from 26 March 2025)*
Ms. Peng Liting (ACG,HKACG) *(appointed with effect from 26 March 2025)*

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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STOCK CODE

9639

AUDITORS

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Certified Public Accountants
Registered Public Interest Entity Auditors
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PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
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Hong Kong

PRINCIPAL SHARE REGISTRAR

Ogier Global (Cayman) Limited
89 Nexus Way
Camana Bay
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HONG KONG SHARE REGISTRAR

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17/F, Far East Finance Centre
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LEGAL ADVISER TO THE COMPANY

As to Hong Kong law:
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COMPLIANCE ADVISER

Alliance Capital Partners Limited
Unit 03, 7/F, Worldwide House
19 Des Voeux Road Central
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Dear Shareholders,

On behalf of Wing Lee Development Construction Holdings Limited and its subsidiaries (the "**Group**"), I am pleased to present the annual report of the Group for the Year to our Shareholders.

The year 2024 was marked by both challenges and opportunities for the global economy. Despite facing inflationary pressures, geopolitical tensions, and financial market volatility, the HKSAR Government implemented a series of supportive policies, fostering a stable development environment for the Hong Kong's economy. Capitalizing on flexible business strategies, strong project execution capabilities, and proactive alignment with national policies, the Group adeptly responded to market changes, delivering steady growth despite headwinds. Through strategic realignment, the Group aimed to capitalize on emerging opportunities in a complex operating landscape.

Meanwhile, this year marked an important milestone of our Group. On 9 October 2024, the Shares of our Company became listed on the Main Board of the Stock Exchange. The Listing not only enhances our corporate image and status and bolsters public confidence in our Company, but also provides funding for our Company's future development, laying a foundation for the Company's sustained and stable development.

BUSINESS REVIEW

Civil Engineering

The Group's civil engineering works include site formation works, road and drainage works, water works and structural steel works.

During the Year, for civil engineering works, the Group participated as one of the subcontractors in the infrastructure project at the third runway of the Hong Kong International Airport (the "**Third Runway Projects**") and in a mega residential development project in Sai Sha, a village sewerage project at Mui Wo, a cavern sewage treatment facilities project in Ma On Shan, the refurbishment of Car Park 1 at the Hong Kong International Airport and other projects.

During the Year, the Group recorded a revenue attributable to civil engineering works of approximately HK$508.9 million, representing an increase of approximately HK$143.5 million or 39.3% from the Previous Year.

Through our management team's active response to tender invitations from customers, the Group was awarded the some key projects during the Year, including the resident development project located at Sung Wong Toi and the water works project in Hung Shui Kiu, with a total outstanding contract value of approximately HK$947.8 million.

Electrical and Mechanical Engineering

The Group's electrical and mechanical engineering works generally include cable trench excavation, laying, emergency fault repair and substation refurbishment and maintenance works, etc.

During the Year, the Group recorded a revenue attributable to electrical and mechanical engineering works of approximately HK$181.8 million, representing an increase of approximately HK$68.6 million or 60.6% from the Previous Year. The Group strives to maintain its leadership in this field, and aims to continuously build up a substantial market share and solid reputation among prestigious customers.

During the Year, the Group was further awarded and commenced a 8-year master contract as main contractor for transmission cable trenching and laying works in Kowloon and New Territories, which is a significant milestone of the Group as well as the master contract as sub-contractor for distribution cable trenching and laying works in Sham Shui Po and Wong Tai Sin zones, and the total contract value is estimated to be approximately HK$2 billion, subject to measurement based on the actual workdone, for the remaining contract period up to second half of 2032.

New Energy Business

For the Year, the Group's solar photovoltaic energy business recorded a revenue of approximately HK$19.2 million, and the Group also increased its investment in new energy business by purchasing electric engineering machinery for engineering projects. Meanwhile, the Group also expanded its trading business by entering into a distribution agreement with China Wealth Hong Kong Machine Limited ("**China Wealth Hong Kong**") to act as an agent for the sale and distribution of electrical engineering machinery and electric commercial vehicles. China Wealth Hong Kong is (i) a fellow subsidiary of Sany Heavy Equipment International Holdings Company Limited ("**Sany International**"), (ii) a fellow subsidiary of Sany Heavy Industry Co., Ltd. ("**Sany Heavy Industry**"), and (iii) a group company of Sany Hongkong Group Limited ("**Sany HK**"). Under the arrangement, the Group is the exclusive distributor of electric dump trucks, electric heavy trucks, and electric light trucks, and provides supporting services such as construction of charging piles and follow-up maintenance. The details of this distribution agreement are set out in the Prospectus.

The Group led the establishment of the "Zero Carbon Smart Alliance" and began to get involved in the fields of charging, battery swapping, recycling and energy storage. For instance, the Group launched the "Zero Carbon Smart Space", displaying industry-leading electric engineering machinery such as the first remote-controlled pure electric excavator in Hong Kong, the first battery-swapping station in Hong Kong, the world's first 5-axle pure electric dump truck, the first road-ready pure electric tractor in Hong Kong, new energy equipment such as energy storage cabinets, Shenxing Ultrafast Charger and CharGo, and its own Smart Site Safety System ("**4S**").

FUTURE OUTLOOK

Civil Engineering

Hong Kong's civil engineering sector is experiencing renewed focus with the government's annual capital works expenditure rising from approximately HK$90 billion to HK$120 billion, primarily focused on mega infrastructure projects including Northern Metropolis and Tung Chung New Town Extension. According to the 2025–2026 Budget report of the HKSAR Government, the HKSAR Government plans to issue approximately HK$150 billion to HK$195 billion in government bonds every year for the five years from 2025–26 to 2029–30 fiscal years, with a cumulative bond issuance scale of approximately HK$750 billion to HK$975 billion to support major local infrastructure projects, which include Tung Chung New Town Extension, the Northern Metropolis, University Town, Hung Shui Kiu, Ha Tsuen, Ngau Tam Mei, and the New Territories North New Town, and other projects.

In terms of civil engineering construction, the Group actively participated in projects such as the Northern Metropolis, Tung Chung New Town Extension. Recently, it has undertaken road and drainage projects in Kwu Tung North. The Group continues to expand its partnering group and was included in the list of some pre-qualified contractors of public organizations in Hong Kong. The Group has entered into a long-term cooperation agreement with suppliers to improve the stability of supply of key materials such as steel reinforcement and concrete to mitigate cost volatility risks. With the help of digital platform and artificial intelligence technology, the Group fully implemented the Smart Site Safety System to enhance project management capabilities and effectively control costs and risks. Leveraging our technological and resource advantages, the Group possesses strong fundamentals to capture industry opportunities, effectively driving sustained corporate growth and competitive enhancement.

Electrical and Mechanical Engineering

The electrical and mechanical engineering market in Hong Kong has demonstrated steady growth in recent years. The market size of overall electrical works increased from approximately HK$18.4 billion in 2018 to HK$22.2 billion in 2023, and is expected to reach HK$26.5 billion by 2028, with a compound annual growth rate of around 3.9%. The market growth is primarily driven by ongoing development of new residential and commercial buildings, the upgrade of existing electrical infrastructure, and the increasing adoption of smart building technologies. Additionally, the government's policies to promote energy efficiency and sustainable development have further stimulated the demand for advanced power systems. With the increasing application of smart cables and high-performance cable technologies, the electrical and mechanical engineering industry in Hong Kong is undergoing rapid development. According to the public data of CLP Power Hong Kong Limited ("**CLP Power**"), Hong Kong's electricity consumption continues to grow, with electricity sales reaching 36,125 million kWh in 2024, a year-on-year increase of 2.1%. Coupled with the government's promotion of the development of a number of mega engineering projects and the popularization of new energy electric vehicles, it is predicted that the demand for electricity consumption will increase in the future.

With years of deep experience in the field of electrical and mechanical engineering and long-term stable cooperation mode with partners, the Group has always been in a leading position in the industry in terms of construction technology and safety maintenance. The Group will continue to improve its technical level and is expected to further expand its market share. To address the increasing demand for electricity consumption, CLP Power announced that it will invest HK$52.9 billion in a five-year development plan (2024–2028) to expand power infrastructure and support the energy transition. The Group is actively striving for more electrical and mechanical engineering projects in Kowloon and Hong Kong Island, and is expected to make greater breakthroughs in the field of electrical and mechanical engineering. The Group will actively participate in more green and smart infrastructure projects to facilitate the development of Hong Kong's electricity network, and consolidate its leading position in the industry.

New Energy Business

Hong Kong's new energy sector is experiencing rapid growth, propelled by the global green transition wave and local policy support. The whole process of green transition is bringing huge business opportunities. In terms of green city construction, the HKSAR Government has led the transformation and upgrading of industries, successively introduced the initiatives such as the "Hong Kong Roadmap on Popularisation of Electric Vehicles" (《香港電動車普及化路線圖》), "Clean Air Plan for Hong Kong 2035" (《香港清新空氣藍圖2035》), and "Hong Kong's Climate Action Plan 2050" (《香港氣候行動藍圖2050》), mandating the cessation of new registrations for fuel-powered private cars by 2035 to accelerate the adoption of new energy transport technologies (including electric commercial vehicles). According to Hong Kong Environmental Protection Department's "Ex-gratia Payment Scheme for Phasing Out Euro IV Diesel Commercial Vehicles", 40,000 Euro IV diesel commercial vehicles will be phased out by the end of 2027. Therefore, there is a great growth potential for the development of new energy electric commercial vehicles in the Hong Kong market. Especially in the logistics industry, the logistics industry accounts for 6.5% of Hong Kong's GDP. Urban logistics and retail distribution businesses are frequent, providing a broad market space for new energy electric commercial vehicles. On the other hand, the construction industry accounts for 4.4% of Hong Kong's GDP, such as the surge in the demand for electric heavy trucks in mega infrastructure projects in Northern Metropolis. Aligned with Hong Kong's goal of achieving carbon neutrality before 2050, its new energy vehicle policies encompass economic incentives, infrastructure construction, industry support, and long-term carbon neutrality targets, forming a comprehensive promotion system. The HKSAR Government has also launched the "Building-Integrated Photovoltaics Pilot Scheme", which aims to increase the proportion of new energy in the fuel mix for electricity generation, targeting 7.5%–10% by 2035 and progressively raising it to 15%. Benefiting from these government favourable measures, technologies including solar PV, energy storage systems, and new energy electric vehicles receive prioritized support. The government is also strengthening regulations and safety standards to facilitate the deployment of emerging energy solutions, laying a solid foundation for the development of Hong Kong's green economy.

The Group possesses significant future growth potential, demonstrating particularly robust momentum in the new energy and green infrastructure sectors. Since 2018, the Group has proactively expanded its new energy business, covering the design, installation, and maintenance of solar PV systems. In 2024, the Group also applied the Smart Site Safety System to realize digital and intelligent platform management. The Group pioneered the introduction of "SANY" brand electric engineering machinery in Hong Kong's construction industry, serving as the contractor for the installation and follow-up maintenance of charging piles. This has facilitated the effective implementation of electric products, forming green infrastructure solutions for the whole industry chain and demonstrating its profound understanding and practical capabilities in smart city development and low-carbon transition. Moving forward, the Group will deepen collaboration with China Wealth Hong Kong to jointly promote the transformation of electric commercial vehicles in Hong Kong and the strategic layout of charging infrastructure construction, continuously accelerating new energy business growth. Given that the Group has already acted as an agent for the sales of electric commercial vehicles and electric engineering machinery, its new energy trading business has taken the lead in penetrating the transportation and construction sectors. Driven by favorable policies of all parties, the new energy trading business will become the second growth curve of the Group.

In addition, the Group has jointly formed the "Zero Carbon Smart Alliance" with industry giants such as Sany Group Co., Ltd. ("**SANY Group**") and Contemporary Amperex Technology Co., Limited ("**CATL**") to create a full industry chain solution covering photovoltaics, energy storage, charging and battery swapping, green transportation intelligent applications. The Group has also signed a strategic cooperation agreement dated 9 May 2025 with SANY Group and CATL to formulate a global strategic layout, leveraging its local resources and technological advantages, to jointly launch an integrated solution covering "light, storage, charging, swapping, and recycling". The Group will use V2G (Vehicle-to-Grid) to build a "photovoltaic + energy storage + charging piles + V2G" integrated station to build a "generation-storage-use-recycling" closed-loop ecosystem, and has worked closely with Fujian Fairblu Energy Technology Co., Ltd ("**Fairblu**"), and plans to use distributed energy, V2G technology and industry-leading battery recycling technology to realize "space intensification" + "power localization" to fill the gap in the collaborative application of distributed energy and smart grid in Hong Kong.

Overall

For civil engineering, the Group participated in a number of mega infrastructure and residential projects and recorded revenue of approximately HK$508.9 million for the Year, representing a year-on-year increase of approximately 39.3%, demonstrating its continuous improvement in competitiveness in the market. Revenue from the electrical and mechanical engineering business increased significantly to HK$181.8 million for the Year, representing a year-on-year increase of approximately 60.6%. With rich experience in civil engineering and mechanical and electrical engineering, the Group has actively expanded its new energy business and has established partnerships with various parties and provided a series of sales solutions. As the Group continued to deepen its original business and expand into new energy fields, it is expected that economic benefits will continue to improve in the future, bringing higher returns to shareholders. In the future, the Group will lead the expansion of the "Zero Carbon Smart Alliance" and introduce more industry-leading enterprises, covering green transportation, green buildings, smart photovoltaic and energy storage systems, smart cities and other industries, and strengthen cooperation among members, base themselves on Hong Kong, look around the world, promote sustainable development, and achieve a win-win situation of economic benefits and environmental responsibilities.

At last, on behalf of the Group, I would like to express my sincere gratitude to our customers and partners, and to our dedicated employees and management team for their contributions, as well as to our shareholders and stakeholders for their trust and support.

Yiu Wang Lee
Chairman and Executive Director
Hong Kong, 25 June 2025

Financial Highlights

A summary of the results of the Group for the Year together with the comparative figures for the Previous Year are set out below:

	For the year ended 31 March		
	2025	2024	Change
	HK$'000	HK$'000	%
Revenue	**716,639**	526,099	36.2
Gross profit	**144,407**	121,607	18.7
Operating profit	**70,528**	95,283	(26.0)
Profit before taxation	**68,253**	92,916	(26.5)
Profit for the year	**55,458**	76,907	(27.9)
Earnings per share — Basic and diluted in HK cents	**6.4**	10.3	(37.9)

BUSINESS PROFILE

The Group is an established contractor in Hong Kong engaged in civil and electrical and mechanical engineering and new energy businesses. The Group's civil engineering works specialise in site formation works and road and drainage works, and its electrical and mechanical engineering works specialise in cable trench excavation, laying and emergency maintenance works. For new energy business, the Group undertook solar PV system works, distributed various electric commercial vehicles and electric engineering machinery, and undertook businesses including the construction of charging piles and follow-up maintenance, charging and battery swapping, recycling and energy storage.

As at 31 March 2025, the Group had 27 projects (31 March 2024: 24 projects) on hand for civil engineering and new energy businesses with total outstanding contract value of approximately HK$966.5 million (31 March 2024: approximately HK$707.6 million). In terms of electrical and mechanical engineering, the contract value of the 8-year master contracts for Transmission Cable Trenching and Laying Works in Kowloon and New Territories and Distribution Cable Trenching and Laying Works in Sham Shui Po and Wong Tai Sin zones is expected to be approximately HK$2 billion, subject to measurement based on the actual workdone, for the remaining contract period up to second half of 2032.

FINANCIAL REVIEW

Revenue

Our revenue increased by approximately HK$190.5 million, or 36.2%, from approximately HK$526.1 million for the Previous Year to approximately HK$716.6 million for the Year. The increase in revenue is mainly due to the increase in revenue of civil engineering works by approximately HK$143.5 million and increase in revenue of electrical and mechanical engineering works by approximately HK$68.6 million. The increase in the revenue of civil engineering works was primarily attributable to a higher amount of works performed for the Third Runway Projects for the Year. The increase in the revenue of electrical and mechanical engineering works was primarily due to new projects tendered and commenced during the Year.

Gross profit and gross profit margin

Our gross profit increased by approximately HK$22.8 million, or 18.7% from approximately HK$121.6 million for the Previous Year to approximately HK$144.4 million for the Year. Our gross profit margin decreased from approximately 23.1% for the Previous Year to approximately 20.2% for the Year. The decrease in gross profit margin was mainly attributable to the increase in the revenue contributed by the projects undertaken by us with relatively low gross profit margin as compared with the overall gross profit margin for the Previous Year.

General and administrative expenses

Our administrative expenses increased by approximately HK$37.0 million, or approximately 157%, from approximately HK$23.6 million for the Previous Year to approximately HK$60.6 million for the Year. The increase was mainly attributable to (i) an increase in donations of approximately HK$3.2 million; (ii) an increase in employee benefit expenses of approximately HK$5.3 million and an increase in employee bonus of approximately HK$17.5 million due to additional staff recruitment for business expansion; (iii) an increase in legal and professional fees of approximately HK$2.2 million incurred after the listing; and (iv) an increase in other administrative expenses for business expansion.

Employee and Remuneration Policy

As at 31 March 2025, the Group had 411 employees (as at 31 March 2024: 344), where their salaries and allowances were determined based on their performance, experience and the then prevailing market rates. We have also invested in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We have also adopted the Share Award Scheme and the Share Option Scheme (together, the "**Share Incentive Schemes**") (as defined in the Prospectus) to provide incentives or rewards to the eligible participants of the Share Incentive Schemes. The principal terms of the Share Incentive Schemes are set out in the Prospectus. Since the adoption of the Share Incentive Schemes until the date of this announcement, no share option or Share has been granted, exercised, cancelled or expired under the Share Incentive Schemes. Please refer to the section headed "Share Incentive Schemes" in this annual report for further details.

During the Year, the total staff costs (including Director's emoluments) were approximately HK$184.7 million (for the same period in 2024: HK$122.6 million).

Finance costs, net

Our finance costs, net decreased by approximately HK$0.1 million, or 3.9%, from approximately HK$2.4 million for the Previous Year to approximately HK$2.3 million for the Year. Such decrease is mainly attributable to the increase in interest income from bank deposits due to the IPO proceeds raised during the Year.

Income tax expense

The effective tax rate for the Year was approximately 18.7%, which was higher compared to that of 17.2% for the Previous Year. The increase in effective tax rate for the Year was mainly due to the inclusion of approximately HK$16.5 million Listing expenses for the Year which was non-deductible for tax purposes.

Profit for the year

The profit for the year decreased by approximately HK$21.4 million, or approximately 27.9%, from approximately HK$76.9 million for the Previous Year to approximately HK$55.5 million for the Year. The decrease was mainly attributable to (i) the increase in expenses incurred in connection with the listing during the Year; and (ii) the increase in general and administrative expenses, which was mainly attributable to efforts by the Group to further enhance operational management capabilities.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has funded the liquidity and capital requirements primarily through equity capital, borrowings and cash generated from operation. As at 31 March 2025, the capital structure of the Group consisted of equity of approximately HK$351.6 million (31 March 2024: HK$155.4 million), bank borrowings of approximately HK$62.3 million (31 March 2024: HK$50.2 million) and lease liabilities of approximately HK$9.9 million (31 March 2024: HK$2.8 million).

The Company's shares were listed on the Main Board of the Stock Exchange on 9 October 2024. There has been no change in the capital structure of the Company since then.

Cash position and fund available

During the Year, the Group maintained a healthy liquidity position, with working capital being financed by our operating cash flows and borrowings. As at 31 March 2025, our cash and cash equivalents were approximately HK$93.7 million (31 March 2024: HK$27.4 million).

As at 31 March 2025, the current ratio of the Group was approximately 2.10 times (31 March 2024: 1.46 times).

Gearing ratio

As at 31 March 2025, the Group's gearing ratio was approximately 20.5% (31 March 2024: 34.1%), calculated as the total borrowings and lease liabilities divided by the total equity as at the respective reporting dates.

Net current assets

As at 31 March 2025, the Group had net current assets of HK$216.7 million (31 March 2024: HK$86.1 million). The increase in net current assets as at 31 March 2025 was mainly attributable to the increase in contracts assets and the increase in cash and cash equivalents from the Listing. Save for the above, there was no material change in the net current assets position.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from the banks to meet its liquidity requirements. The Board of Directors is not aware of any liquidity issue that may cast significant doubt on the Group's ability to continue as a going concern.

PLEDGE OF ASSETS

As at 31 March 2025, leasehold land and property and equipment with net book value of HK$26.1 million and HK$24.8 million respectively (31 March 2024: Nil and HK$71.3 million respectively) were pledged as security for the Group's borrowings.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

During the Year, the Group incurred cash outflows of approximately HK$65.5 million in leasehold land, property and equipment and software (31 March 2024: HK$18.6 million in property and equipment).

As at 31 March 2025, the capital expenditure in respect of the purchase of property and equipment and development of Zero Carbon Smart Space contracted for but not provided in the consolidated financial statements is HK$24.8 million (31 March 2024: HK$3.1 million in purchase of property and equipment).

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, as at the date of this annual report, the Group did not have other plans for material investments and capital assets.

FOREIGN EXCHANGE EXPOSURE

Most of the income, expenditures, assets and liabilities of the Group are denominated in HKD, being the functional currency of the subsidiaries now comprising the Group, and hence, the Group does not have any material foreign exchange risk exposure.

The Group did not use any financial instruments for hedging purposes during the Year and there was no hedging instruments outstanding as at 31 March 2025. The Group will continue to monitor closely the exchange rate risk arising from its existing operations and new investments in future. The Group will further implement the necessary hedging arrangement to mitigate any significant foreign exchange risk when and if appropriate.

CONTINGENT LIABILITIES

Save for the disclosure set out in Note 34 to the consolidated financial statements, the Group has no material contingent liabilities.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 25 November 2024, Wing Lee Group (Holdings) Limited (being an indirect wholly-owned subsidiary of the Company) (the "**Purchaser**") entered into the Preliminary Sale and Purchase Agreement with Billion Charter Limited (the "**Vendor**"), pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire a property at TML Tower in Tsuen Wan at the consideration of HK$43.4 million.

During the Year, save as disclosed herein, the Group did not have any other significant investments, acquisitions or disposals of subsidiaries, associates and joint ventures.

USE OF PROCEEDS FROM THE SHARE OFFER

With the Shares of the Company listed on the Stock Exchange on 9 October 2024, the net proceeds from the Share Offer amounted to approximately HK$150.0 million, which will be utilised for the purposes as set out in the Prospectus. As of the date of this annual report, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. To the extent that the net proceeds are not immediately applied to the intended use and to the extent permitted by the applicable laws and regulations, the net proceeds are placed into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or applicable laws or regulations in other jurisdictions).

The following table sets out the proposed and actual applications of the net proceeds from the Listing Date to 31 March 2025:

Intended use of net proceeds	**Percentage of intended use of net proceeds** (%)	**Net proceeds** (In HK$ million)	**Amount utilised as at 31 March 2025** (In HK$ million)	**Amount unutilised as at 31 March 2025** (In HK$ million)	**Expected timeline of full utilisation of the net proceeds**
Acquisition of additional electrical machinery and equipment	45	67.5	2.9	64.6	June 2026
Payment of upfront costs for new projects	35	52.5	46.9	5.6	June 2025*
Recruitment of new staff members	5	7.5	7.5	—	N/A
Procurement of 4S and an enterprise planning system	5	7.5	3.6	3.9	March 2026
General working capital	10	15.0	15.0	—	N/A
Total:	100.0	150.0	75.9	74.1	

* As at the date of this annual report, the unutilised amount for the payment of upfront costs for new projects as at 31 March 2025 is fully utilised.

Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Yiu Wang Lee (姚宏利), aged 46, was appointed as a Director on 17 May 2024 and was re-designated as an executive Director on 25 June 2024. Mr. Yiu also serves as the chairman of our Board and the chief executive officer of our Group. He is primarily responsible for the overall management, formulation of business strategies, overall project management and day-to-day management of the operations of our Group, and serves as chairperson of our nomination committee and a member of our remuneration committee. He is also a director of various subsidiaries of our Company, namely Wing Lee Group (Holdings) Limited, Wing Lee Construction Limited, Wing Lee Development (International) Limited, Tai Shan Engineering & Construction Co., Limited, Wing Lee New Energy Limited, Sum Hing Trading Limited, and Kaiser Construction Engineering Company Limited. He is the brother of Mr. Yiu Wang Lung, and is one of our Controlling Shareholders.

Mr. Yiu attended secondary school education in Hong Kong and has had extensive on the ground experience. He has over 26 years of experience in the civil and electrical cable engineering industries. After years of accumulation in the industry by Mr. Yiu, he founded our Group in August 2005 together with Mr. Yiu Wang Lung and established Sum Hing Trading Limited, which was the first subsidiary of our Group. Since founding our Group, Mr. Yiu has been responsible for coordinating our Group's strategies in all aspects, including rules and regulations, corporate development directions, expansion plans and commercial bidding tenders, and leading our Group to gradually expand our business throughout the years and orderly undertake various private and public projects, including high-profile key projects. As member of the presidential committee of the Premier League of Taishan Charitable Association Limited (泰山公德會有限公司) in Hong Kong, he has participated in a number of public welfare activities and made contributions to Hong Kong society.

Mr. Yiu Wang Lung (姚宏隆), aged 60, was appointed as a Director on 17 May 2024 and was re-designated as an executive Director on 25 June 2024. Mr. Yiu Wang Lung also serves as the deputy chairman of our Board. He is primarily responsible for the overall project management and day-to-day management of the operations of our Group. He is also a director of various subsidiaries of our Company, namely Wing Lee Group (Holdings) Limited, Wing Lee Construction Limited, Wing Lee Development (International) Limited, Tai Shan Engineering & Construction Co., Limited, Wing Lee New Energy Limited and Sum Hing Trading Limited. He is the brother of Mr. Yiu Wang Lee.

Mr. Chan Lo Man (陳魯閩), aged 36, was appointed as a Director on 17 May 2024 and was re-designated as an executive Director on 25 June 2024. Mr. Chan is primarily responsible for the day-to-day project management and day-to-day management of the operations of our Group. He is also a director of various subsidiaries of our Company, namely Wing Lee Group (Holdings) Limited, Wing Lee Construction Limited, Wing Lee Development (International) Limited, Tai Shan Engineering & Construction Co., Limited, Wing Lee New Energy Limited and Sum Hing Trading Limited.

Mr. Chan has over eight years of experience in the civil and electrical cable engineering industries. Mr. Chan joined our Group in November 2016 as project director. He has been responsible for overseeing various projects of our Group including our projects with the CLP Group (being CLPe Solutions Limited together with its group companies) and our projects at the third runway of the Hong Kong International Airport, among others.

Mr. Chan graduated from Aston University in the United Kingdom with a Bachelor of Science in business and management in July 2011. In January 2024, he was awarded a certificate of attendance for the NEC course in Project Manager Accreditation (Hong Kong).

Ms. Tse Ka Wing (謝嘉穎), aged 41, was appointed as a Director on 17 May 2024 and was re-designated as an executive Director on 25 June 2024 until her resignation as executive Director with effect from 14 July 2025. Ms. Tse also served as the chief financial officer of our Group until her resignation with effect from 31 October 2024; and as the company secretary of the Company and an authorised representative of the Company under Rule 3.05 of the Listing Rules until her resignation with effect from 26 March 2025.

Ms. Tse has accumulated over 17 years of financial and accounting experience. Prior to joining our Group, Ms. Tse worked at Andrew Tse & Company from September 2006 to February 2008, with her last position as accountant. Thereafter, she worked at BDO Limited from February 2008 to November 2013 with her last position as assistant manager. She worked at Union Honor International Enterprise Limited from November 2013 to October 2014 as an assistant accounting manager, and at HKUE Limited from November 2014 to March 2016 as financial controller. From March 2018 to January 2021, she also served as chief financial officer and company secretary at Daikiya Group Holdings Limited. She worked at YONXI International Finance Holdings Limited and YONXI Securities Limited from February 2021 to December 2022 as chief financial officer and company secretary. Since January 2023, she has been a practising director of PY CPA Company Limited.

Ms. Tse has served different roles in listed companies as follows：

Company name, stock code and venue of listing	Position	Period
Accel Group Holdings Limited (stock code：1283), a company listed on the Main Board of the Stock Exchange	Independent non-executive director and chairperson of the audit committee	Since September 2019
Kwong Man Kee Group Limited (stock code：8023), a company listed on GEM of the Stock Exchange	Financial controller and company secretary	From March 2016 to December 2017

Ms. Tse obtained a Bachelor of Business Administration (Honours) in Accountancy degree from the City University of Hong Kong in November 2006. She later obtained a Master in Corporate Governance degree from The Hong Kong Polytechnic University in September 2018. Ms. Tse has been a member and a certified public accountant (practising) of the Hong Kong Institute of Certified Public Accountants since January 2011 and March 2014, respectively. She has also been an associate member of The Hong Kong Chartered Governance Institute and an associate member of the Hong Kong Institute of Chartered Secretaries since November 2018.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Shang Hailong (尚海龍), aged 42, was appointed as an independent non-executive Director on 20 September 2024 and is primarily responsible for providing independent advice to our Board. Mr. Shang serves as the chairperson of our remuneration committee and a member of our audit committee and nomination committee.

Mr. Shang has been an independent non-executive director of China Agri-Products Exchange Limited (stock code: 149), a company listed on the Main Board of the Stock Exchange, since August 2024. Mr. Shang has been a member of the Legislative Council of the Hong Kong Special Administrative Region since December 2022. He is also strategy advisor at SenseTime Group Limited, a subsidiary of Sense Time Group Inc., (stock code: 20), a company listed on the Main Board of the Stock Exchange; and chief company consultant at China Mobile Hong Kong Company Limited.

Mr. Shang obtained a Bachelor of Engineering in Agricultural Building Environment and Energy Engineering degree from Beijing Forestry University in the PRC in July 2004, a Master of Public Administration from Tsinghua University in the PRC in January 2021.

Mr. Fu He (符合), aged 59, was appointed as an independent non-executive Director on 20 September 2024 and is primarily responsible for providing independent advice to our Board. Mr. Fu serves as a member of our audit committee and nomination committee.

Mr. Fu has over 30 years' management experience in civil engineering. From 1993 to August 2013, he held various positions in the group of China Overseas Land & Investment Limited, a company listed on the Main Board of the Stock Exchange (stock code: 688). In particular, from November 2009 to August 2013, he served as a director and deputy general manager at COHL Investment Developing Holdings Limited (中海投資發展集團有限公司) (formerly known as China Overseas Industrial Holdings Limited (中國海外實業有限公司), a subsidiary of China Overseas Land & Investment Limited.

Mr. Fu has served the following roles in listed companies:

Company name, stock code and venue of listing	Position	Period
China Fortune Land Development Co., Ltd. (stock code: 600340), a company listed on the Shanghai Stock Exchange	Vice president	September 2013 to November 2017
China State Construction International Holdings Limited (stock code: 3311), a company listed on the Main Board of the Stock Exchange	Executive director	June 2005 to October 2009

Since January 2019, Mr. Fu has been the chairman and general manager at Guangzhou Double Parking Intelligent Technology Co., Ltd., responsible for all aspects of the company's business.

Mr. Fu graduated from Zhejiang University in the PRC in July 1987 and was awarded a Master of Business Administration from Murdoch University in Australia in March 2000, respectively. He was a member of the Hong Kong Institution of Engineers, the Chartered Institute of Building (Hong Kong), the Hong Kong Institute of Surveyors, and the Chartered Institute of Building and the Royal Institution of Chartered Surveyors in the United Kingdom.

In July 2009, Mr. Fu was recognised as a local-level talent and was awarded the Certificate for High-Level Professional (深圳市高層次專業級人才證書) in Shenzhen by the Bureau of Personnel of Shenzhen Municipality. Mr. Fu was a member of the Fifth Shenzhen Municipal People's Congress.

Mr. Leung Wai Hung (梁偉雄), aged 57, was appointed as an independent non-executive Director on 20 September 2024 and was primarily responsible for providing independent advice to our Board, until his resignation as independent non-executive Director with effect from 14 July 2025. Mr. Leung also served as the chairperson of our audit committee and a member of our remuneration committee until 14 July 2025.

Mr. Leung has more than 20 years working experience in various listed companies in Hong Kong. From May 1994 to June 2005, he worked as an account officer at Cheung Kong (Holdings) Limited (now known as CK Hutchison Holdings Limited) (stock code：001), a company listed on the Main Board of the Stock Exchange. Between December 2006 and December 2010, Mr. Leung served as the vice president and chief financial officer of Fineland Real Estate Holdings Company Limited. Mr. Leung participated in the first private sector REIT, Prosperity REIT (stock code：808) in Hong Kong from September 2005 to September 2006 and worked for the manager of Fortune REIT (stock code：778) as a finance director from February 2011 to July 2012.

Mr. Leung was an independent non-executive director of Beaver Group (Holding) Company Limited (now known as China New Consumption Group Limited) (stock code：8275), a company listed on GEM of the Stock Exchange, from September 2017 to March 2021. From January 2013 to June 2018, Mr. Leung served as financial controller at Shougang Concord International Enterprises Company Limited (now known as Shoucheng Holdings Limited) (stock code：697), a company listed on the Main Board of the Stock Exchange.

Mr. Leung currently serves different roles in listed companies as follows：

Company name, stock code and venue of listing	Position	Period
Gemini Investments (Holdings) Limited (stock code：174), a company listed on the Main Board of the Stock Exchange	Independent non-executive director	Since April 2024
Sino-Ocean Service Holding Limited (stock code：6677), a company listed on the Main Board of the Stock Exchange	Independent non-executive director	Since August 2022
BeijingWest Industries International Limited (stock code：2339), a company listed on the Main Board of the Stock Exchange	Financial controller and company secretary	Since April 2022 and resigned with effect from 1 January 2025
China Fortune Holdings Limited (stock code：110), a company listed on the Main Board of the Stock Exchange	Independent non-executive director	Since July 2021
Fineland Living Services Group Limited (stock code：9978), a company listed on the Main Board of the Stock Exchange	Independent non-executive director	Since October 2017

Mr. Leung holds a Bachelor of Business Administration from The Chinese University of Hong Kong. He has been a fellow member of The Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

Ms. Xu Jing (徐靜), aged 47, was appointed as an independent non-executive Director on 14 July 2025, and is primarily responsible for providing independent advice to the Board. Ms. Xu serves as the Chairperson of the Audit Committee and a member of both the Remuneration Committee and the Nomination Committee.

Ms. Xu Jing has over 23 years of experience in finance management, tax planning and management, investing and financing management, internal control, and company secretary services field. Ms. Xu is currently the company secretary of (i) Yancheng Port International Co., Limited, a company listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (stock code: 8310), since May 2016; (ii) Star Shine Holdings Group Limited (formerly known as Deyun Holding Ltd.), a company listed on the Main Board of the Stock Exchange (stock code: 1440), since February 2020; and (iii) E-Star Commercial Management Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 6668), since June 2022. Ms. Xu has also served the following roles in listed companies:

Company	Position	Period
Fullsun International Holdings Group Co., Limited (currently known as Japan Kyosei Group Company Limited), a company listed on the Main Board of the Stock Exchange (stock code: 627)	Company secretary	April 2021 to July 2023
Sky Light Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3882)	Company secretary	November 2022 to December 2023
	Chief financial officer	November 2022 to August 2023

Ms. Xu obtained her Bachelor of Administration degree from Zhongnan University of Economics and Law in June 2002. Ms. Xu was awarded the certificate of certified public accountant by the Chinese Institute of Certified Public Accountants in October 2003. Ms. Xu has been a fellow member of the Association of Chartered Certificated Accountants since September 2013 and has also been a fellow member of the Hong Kong Institute of Certified Public Accountants since July 2016.

SENIOR MANAGEMENT

Mr. Wong Sai Yiu (黃世堯), aged 50, is the Deputy General Manager of our Group. Mr. Wong is responsible for managing our Group's electrical cable engineering works projects.

Mr. Wong has over 15 years of experience in civil and electrical cable engineering works. Mr. Wong joined our Group in July 2008 as a director and member of Sum Hing Trading. He left our Group in September 2010 and engaged in other business overseas. He returned to Hong Kong in August 2016 and served as director of On Shing Construction Limited. He then re-joined our Group in April 2019 as manager. Since re-joining our Group, his primary responsibilities have also included managing projects with the CLP Group. Mr. Wong attended secondary school education in Hong Kong.

Mr. Mok Chiu Po (莫招寶), aged 43, is the Deputy General Manager of our Group. Mr. Mok is responsible for managing our Group's drainage works projects. He is also a director of our subsidiary Kaiser Construction Engineering Company Limited.

Mr. Mok has over 19 years of experience in civil and electrical cable engineering works. Mr. Mok joined our Group in October 2016 and served as project manager and operation director of Wing Lee Construction Limited from October 2016 to November 2017 and from November 2017 to November 2020, respectively. In both roles, Mr. Mok's responsibilities included overseeing projects, exploring potential business opportunities, and establishing appropriate systems procedure to enhance internal communication and control. Since November 2020, Mr. Mok has been project director at Kaiser Construction Engineering Company Limited, with responsibilities including overseeing public projects and exploring potential business opportunities.

Prior to joining our Group, Mr. Mok worked at a few main contractors in Hong Kong from August 2004 to October 2016, namely Kum Shing (K.F.) Construction Company Limited, Pollard-CNCEC Joint Venture and CLP Engineering Limited, holding various positions, including managerial level. His responsibilities included leading and ensuring safety, health, environmental and quality (SHEQ) during operations; supervising subordinates; coordinating and liaising with relevant parties, including Government departments subcontractor management, including sub-letting and its financial status; overseeing the programme of works; and budget estimation for new tenders.

Mr. Mok obtained a Bachelor of Science (Honours) in Business Management (Engineering) degree from Coventry University in the United Kingdom (long distance learning) in November 2011.

Mr. Yim Wing Yeung (嚴永揚), aged 36, is the Chief Civil Engineer of our Group. Mr. Yim is responsible for managing our Group's civil engineering works projects.

Mr. Yim has over 10 years of experience in civil and electrical cable engineering works. Mr. Yim joined our Group in April 2023 as project manager at Wing Lee Construction Limited, with responsibilities including day to day project management (including regarding subcontract and tender matters) and administrative management. Prior to joining our Group, Mr. Yim worked at Newtech Automation Company Ltd. as a project manager from July 2011 to March 2016, and at Sambo E&C Ltd. as an engineer from November 2016 to April 2018. Mr. Yim then worked as a marine superintendent at Hong Kong Marine Construction Limited from April 2018 to July 2019. Subsequently, Mr. Yim worked at SAPR JV from July 2019 to August 2022 with the last position as an assistant construction manager, and then as a site agent at Kat Yue Construction Engineering Limited from August 2022 to April 2023.

Mr. Yim obtained a Bachelor of Civil Engineering degree from Leeds Beckett University in the United Kingdom (long distance learning) in March 2019. He then obtained a Master of Science in Civil Infrastructural Engineering and Management degree from the Hong Kong University of Science and Technology in November 2021. He had previously obtained a Higher Diploma in Civil Engineering from the Hong Kong Institute of Vocational Education in July 2011. In March 2023, he was awarded a certificate for completion of the Safety Training Course for Site Management Staff from the Construction Industry Council.

Mr. Ho Chun Chung (何振中), aged 50, is the Engineering Director of our Group. Mr. Ho is responsible for managing our Group's solar PV works projects.

Mr. Ho has over 16 years of experience in civil and electrical cable engineering works. Mr. Ho joined our Group in January 2021 and has served as project manager in various subsidiaries of our Company.

Prior to joining our Group, Mr. Ho Chun Chung worked at The Hong Kong Jockey Club as a maintenance technician in the property department from July 2007 to November 2008. He then worked at Kum Shing Construction as assistant manager — distribution circuits from December 2008 to January 2021.

Mr. Ho obtained a Bachelor of Science in Business Management (Engineering) from Coventry University in the United Kingdom (long distance learning) in November 2011. He had previously obtained a Higher Diploma in Building Services Engineering from the Vocational Training Council in July 2009.

Mr. Lai Ka Wing (賴家榮), aged 47, was the Chief Engineer of our Group until his resignation on 25 May 2025.

Save as disclosed above, each of our senior management has not held directorships in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this annual report.

COMPANY SECRETARY

Ms. Peng Liting (彭丽婷), was appointed as the company secretary of the Company as well as an authorised representative under Rule 3.05 of the Listing Rules, with effect from 26 March 2025. Ms. Peng holds a bachelor's degree in law from the South China Normal University in China, a master's degree in law from the University of Glasgow in the United Kingdom, as well as a master's degree in corporate governance from the Hong Kong Metropolitan University. Prior to joining the Company, Ms. Peng has extensive experience in corporate compliance, the relationship management of investors, investment and financing, and has worked for various listed companies in Hong Kong for over 7 years. Ms. Peng is an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom, and has been awarded with the dual designations of Chartered Secretary and Chartered Governance Professional.

Directors' Report

The Board is pleased to present this report to the Shareholders together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The principal activities of the Company is investment holding and the activities of its subsidiaries are set out in Note 17 to the consolidated financial statements. There is no significant change in the nature of Group's activities during the Year.

FINANCIAL STATEMENTS

The financial performance of the Group for the Year and the financial position of the Group as of 31 March 2025 are set out in the consolidated financial statements on pages 98 to 103 of this annual report.

GROUP FINANCIAL SUMMARY

A summary of the Group's results and assets and liabilities for the past four financial years is set out in the section headed "Four-Year Financial Summary" of this annual report.

BUSINESS REVIEW

A review of the business of the Group during the Year, which includes a discussion and analysis of the Group's performance using financial and operational key performance indicators and future business development are set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Financial Highlights" of this annual report. The financial risk management objectives and policies of the Group are set out in Note 3 to the consolidated financial statements.

DIRECTORS

Directors from the Listing Date and up to the latest practicable date prior to the printing of this annual report were:

Executive Directors

Mr. Yiu Wang Lee (姚宏利) *(Chairman of the Board and Chief Executive Officer)*
Mr. Yiu Wang Lung (姚宏隆) *(Deputy chairman of the Board)*
Mr. Chan Lo Man (陳魯閩)
Ms. Tse Ka Wing (謝嘉穎) *(resigned with effect from 14 July 2025)**

Independent Non-executive Directors

Mr. Shang Hailong (尚海龍)
Mr. Fu He (符合)
Mr. Leung Wai Hung (梁偉雄) *(resigned with effect from 14 July 2025)**
Ms. Xu Jing (徐靜) *(appointed with effect from 14 July 2025)*

* They have confirmed that there is no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.

In accordance with Article 112 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election. Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

Accordingly, in accordance with Article 112 of the Articles of Association, Ms. Xu Jing (who was appointed as an independent non-executive Director with effect from 14 July 2025) shall hold office as independent non-executive Director until the AGM and, being eligible, will offer herself for re-election at the AGM. In accordance with Article 108 of the Articles of Association, Mr. Yiu Wang Lung, an Executive Director, Mr. Chan Lo Man, an Executive Director, Mr. Fu He, an independent non-executive Director, shall retire from office by rotation as Directors at the AGM and, being eligible, will offer themselves for re-election as Directors at the AGM.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographies of the Directors and senior management of the Group are set out in the section headed "Directors and Senior Management" in this annual report.

DIRECTORS' SERVICE CONTRACT AND LETTER OF APPOINTMENT

Each of our Executive Directors has entered into a service agreement with the Company for an initial fixed term of three years commencing from the Listing Date. The term of service shall be renewed and extended automatically by three years on the expiry of such initial term and on the expiry of every successive period of three years thereafter, unless terminated by either party thereto giving at least three months' written notice of non-renewal before the expiry of the then existing term.

Each of our independent non-executive Directors has entered into a letter of appointment with the Company for an initial fixed term of three years commencing from the Listing Date (in the case of Mr. Shang Hailong and Mr. Fu He) and from 14 July 2025 (in the case of Ms. Xu Jing). The term of service shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, unless terminated by either party thereto giving at least one month's written notice of non-renewal before the expiry of the then existing term.

Save as disclosed above, none of the Directors has entered, or has proposed to enter, into a service contract with any member of the Group which does not expire or is not determinable by the employer within one year without the payment of compensation (other than statutory compensation).

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and the five highest paid individuals are set out in Notes 8 and 9 to the consolidated financial statements.

EMOLUMENT POLICY

The Remuneration Committee is responsible for (i) making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) making recommendations to the Board on the remuneration packages of individual executive and non-executive Directors and senior management; (iii) reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time; (iv) considering factors such as the level of remuneration salaries paid by comparable companies, time commitment and responsibilities of Directors and senior management and employment conditions of the Group; (v) reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; (vi) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with the contractual terms and that are otherwise reasonable and appropriate; (vii) ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration; and (viii) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The Directors' remuneration is determined with reference to the relevant Director's experience and qualifications, level of responsibility, performance and the time devoted to our business, and the prevailing market conditions. No Director has waived or has agreed to waive any emoluments during the Year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Year, none of the Directors were interested in any business apart from the Company's business, which competed or was likely to compete, either directly or indirectly, with the businesses of the Company and its subsidiaries pursuant to Rule 8.10 of the Listing Rules.

Non-competition Undertakings

Each of the Controlling Shareholders has entered into the Deed of Non-competition in favour of the Company, pursuant to which each of the covenantors has undertaken to the Company (for itself and for the benefit of its subsidiaries) that with effect from the Listing Date, they would not and would procure that none of their associates (except for any members of the Group), except through their interests in the Company, whether as principal or agent and whether undertaken directly or indirectly, either on their own account or in conjunction with or on behalf of any person, corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, among other things, carry on, participate, acquire or hold any right or interest or otherwise be interested, involved or engaged in or connected with, directly or indirectly, any business which is, directly or indirectly, in any respect in competition with or similar to or is likely to be in competition with the business of the Group in Hong Kong, the PRC or such other places as the Group may conduct or carry on business from time to time. For details of the Deed of Non-competition, please refer to the paragraph headed "Relationship with Controlling Shareholders — Deed of Non-competition" in the Prospectus.

The Company has received an annual written confirmation from each member of the Controlling Shareholders in respect of his/its compliance with the terms of the Deed of Non-competition during the Year in which each Controlling Shareholder declared and confirmed to the Company that that he/it complied with the terms and non-competition undertakings under the Deed of Non-competition during the Year. Each Controlling Shareholder confirmed in his/its written confirmation that he/it has no interest in any business, other than the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group during the Year.

The independent non-executive Directors have reviewed the compliance of each of the Controlling Shareholders with the Deed of Non-competition during the Year, and are satisfied that each of the Controlling Shareholders has complied with the Deed of Non-competition during the Year.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director or his/her connected entity has or had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries, was a party subsisting during or at the end of the Year.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

Save as disclosed in this annual report, there had been no contract of significance (i) between the Company or any of its subsidiaries and a Controlling Shareholder of the Company or any of its subsidiaries; or (ii) for the provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or any of its subsidiaries, during the Year or subsisted at the end of the Year.

PRINCIPAL RISKS AND UNCERTAINTIES

Certain factors may affect the results and business operations of the Group. The principal risks and uncertainties facing the Company include:

(i) most of our revenue was derived from projects awarded by our top five customers and any significant decrease in the number of projects with our top five customers may materially and adversely affect our financial performance;

(ii) reduction or termination of public and private sector projects in Hong Kong may adversely affect our revenue and results of operations;

(iii) our revenue is mainly derived from projects which are non-recurrent in nature and there is no guarantee that our customers will provide us with new businesses; and

(iv) potential mismatch in time between receipt of payments from our customers, payment of project up-front costs, and payments to our suppliers may adversely affect our cash flows.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group had 411 employees (as at 31 March 2024: 344), where their salaries and allowances were determined based on their performance, experience and the then prevailing market rates. We have also invested in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We have also adopted the Share Incentive Schemes provide incentives or rewards to the eligible participants of the Share Incentive Schemes. The principal terms of the Share Incentive Schemes are set out in the Prospectus. Since the adoption of the Share Incentive Schemes until the date of this annual report, no share option or Share has been granted, exercised, cancelled or expired under the Share Incentive Schemes. Please refer to the section headed "Share Incentive Schemes" in this annual report for further details.

The employee benefit expenses, including Directors' remuneration, was approximately HK$184.7 million for the Year, as compared to approximately HK$122.6 million for the Previous Year. The remuneration package of employees generally includes salary and year-end bonus, as well as share incentive for our key management personnel. The Group also offers performance bonus subject to regular performance appraisals. In general, the Group determines the remuneration package based on the qualifications, position and performance of its employees. The Group also makes contributions to Mandatory Provident Fund Scheme as applicable.

We also organize various training programs on a regular basis for our employees to enhance their professional knowledge, improve time management skills and communications skills, and strengthen their team spirit.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

RETIREMENT AND EMPLOYEE BENEFIT SCHEME

Details of the retirement and employee benefit scheme of the Company are set out in Note 36.12 to consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, sales to the Group's five largest customers, in aggregate, represented approximately 78.9% (2024: 72.3%) of the Group's total revenue, whereas sales to the single largest customers amounted to approximately 38.0% (2024: 32.6%) of the Group's total revenue.

For the Year, purchases from the Group's five largest suppliers accounted for approximately 20.4% (2024: 22.3%) of the Group's total purchases, whereas purchases from the single largest supplier amounted to approximately 8.8% (2024: 10.6%) of the Group's total purchases.

None of the Directors or any of their close associates or any shareholder of the Company (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognizes that employees, customers and suppliers are key to the Group's success. The Group actively maintains a good relationship with employees, customers and suppliers. There was no material and significant dispute between the Group and its employees, suppliers and/or customers during the Year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the date of this annual report, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Interest in the Shares of the Company

Name of Director	Capacity/ Nature of Interest	Number of Shares Interested[1]	Approximate percentage of shareholding interest[2]
Mr. Yiu Wang Lee[3]	Interest in a controlled corporation	750,000,000	75%
Mr. Yiu Wang Lung[3]	Interest in a controlled corporation	750,000,000	75%
Mr. Chan Lo Man[3]	Interest in a controlled corporation	750,000,000	75%

(ii) Interest in the Shares of an Associated Corporation

Name of Director	Name of Associated Corporation	Capacity/Nature of Interest	Number of Shares Held	Percentage of Shareholding in the Associated Corporation
Mr. Yiu Wang Lee	Wing Lee Green Development Limited	Beneficial owner	68	68%
Mr. Yiu Wang Lung	Wing Lee Green Development Limited	Beneficial owner	17	17%
Mr. Chan Lo Man	Wing Lee Green Development Limited	Beneficial owner	15	15%

Notes:

1. All interests stated are long positions in our Shares.

2. The approximate percentage of shareholding interest in the Company is calculated based on the total number of 1,000,000,000 Shares in issue as at the date of this annual report.

3. Wing Lee Green Development Limited is an investment holding company incorporated in the British Virgin Islands and is owned as to 68%, 17% and 15% by Mr. Yiu Wang Lee, Mr. Yiu Wang Lung and Mr. Chan Lo Man, respectively. Wing Lee Green Development Limited is the direct Shareholder of our Company. On the basis that Mr. Yiu Wang Lee, Mr. Yiu Wang Lung and Mr. Chan Lo Man hold their respective interests in our Company through Wing Lee Green Development Limited, a common investment holding company, Mr. Yiu Wang Lee, Mr. Yiu Wang Lung and Mr. Chan Lo Man are regarded as a group of Controlling Shareholders under the Listing Rules. Accordingly, Mr. Yiu Wang Lee, Mr. Yiu Wang Lung and Mr. Chan Lo Man are deemed to be interested in 750,000,000 Shares held by Wing Lee Green Development Limited.

Save as disclosed above, as at the date of this annual report, none of the Directors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at the date of this annual report, the following persons had an interest or a short position in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity/ Nature of Interest	Number of Shares Interested[1]	Approximate percentage of shareholding interest[2]
Wing Lee Green Development Limited[3]	Beneficial owner	750,000,000	75%
Mr. Yiu Wang Lee[4]	Interest in a controlled corporation	750,000,000	75%
Ms. Chen Caiyun[5]	Interest of spouse	750,000,000	75%
Mr. Yiu Wang Lung[4]	Interest in a controlled corporation	750,000,000	75%
Ms. Liu Ying[6]	Interest of spouse	750,000,000	75%
Mr. Chan Lo Man[4]	Interest in a controlled corporation	750,000,000	75%
Ms. Lam Yan Ki Maggie[7]	Interest of spouse	750,000,000	75%

Notes:

1. All interests stated are long positions in our Shares.

2. The approximate percentage of shareholding interest in the Company is calculated based on the total number of 1,000,000,000 Shares in issue as at the date of this annual report.

3. Wing Lee Green Development Limited is an investment holding company incorporated in the British Virgin Islands and is owned as to 68%, 17% and 15% by Mr. Yiu Wang Lee, Mr. Yiu Wang Lung and Mr. Chan Lo Man, respectively. Wing Lee Green Development Limited is the direct Shareholder of our Company.

4. Wing Lee Green Development Limited is owned as to 68% by Mr. Yiu Wang Lee, 17% by Mr. Yiu Wang Lung and 15% by Mr. Chan Lo Man. On the basis that Mr. Yiu Wang Lee, Mr. Yiu Wang Lung and Mr. Chan Lo Man hold their respective interests in our Company through Wing Lee Green Development Limited, a common investment holding company, Mr. Yiu Wang Lee, Mr. Yiu Wang Lung and Mr. Chan Lo Man are regarded as a group of Controlling Shareholders under the Listing Rules. Accordingly, Mr. Yiu Wang Lee, Mr. Yiu Wang Lung and Mr. Chan Lo Man are deemed to be interested in 750,000,000 Shares held by Wing Lee Green Development Limited.

5. Ms. Chen Caiyun is the spouse of Mr. Yiu Wang Lee. By virtue of the SFO, Ms. Chen is deemed to be interested in all the Share(s) in which Mr. Yiu is deemed to be interested through Wing Lee Green Development Limited.

6. Ms. Liu Ying is the spouse of Mr. Yiu Wang Lung. By virtue of the SFO, Ms. Liu is deemed to be interested in all the Share(s) in which Mr. Yiu Wang Lung is deemed to be interested through Wing Lee Green Development Limited.

7. Ms. Lam Yan Ki Maggie is the spouse of Mr. Chan Lo Man. By virtue of the SFO, Ms. Lam is deemed to be interested in all the Share(s) in which Mr. Chan is deemed to be interested through Wing Lee Green Development Limited.

Save as disclosed above, as at date of this annual report, the Directors were not aware of any interests or short positions owned by any person (other than the Directors and chief executive of the Company) in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company pursuant to section 336 of the SFO.

Save as disclosed above, as of 31 March 2025, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

MANAGEMENT CONTRACT

During the Year, no contract concerning the management and administration of all or any substantial part of the business of the Company or its subsidiaries was entered into or existed.

DIRECTORS' PERMITTED INDEMNITY PROVISION

Pursuant to Article 190 of the Articles of Association, the Directors and officers of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts.

The Company has maintained directors' liability insurance throughout the Year which provides appropriate cover for the Directors to perform their duties.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the Year, the Company did not enter into any transactions which are required to be disclosed as connected transactions/continuing connected transactions under Chapter 14A of the Listing Rules.

SHARE INCENTIVE SCHEMES

The following is a summary of the principal terms of the Share Incentive Schemes conditionally adopted and approved by the written resolutions of the then sole shareholder of the Company passed on 20 September 2024 (the "**Share Incentive Schemes**"). The terms of the Share Incentive Schemes are governed by Chapter 17 of the Listing Rules. Terms defined and used under this sub-section headed "Share Incentive Schemes" shall apply to this sub-section only.

The Share Incentive Schemes are effective from the date of approval by the then-sole shareholder of the Company, being 20 September 2024 (the "**Effective Date**"). As at 31 March 2025 and up to the date of this annual report, no options or awards under the Share Incentive Schemes were granted, exercised, lapsed or cancelled. As at 31 March 2025 and as at the date of this annual report, there were no outstanding options or awards under the Share Option Scheme.

The maximum number of Shares available for issue upon exercise of options under the Share Option Scheme or vesting of any Share Award granted under the Share Award Scheme and any grant made under any other share scheme of the Company shall not exceed 100,000,000 Shares, being 10% of the total number of Shares in issue (excluding Treasury Shares) as at the Listing Date (being 1,000,000,000 Shares, excluding, for this purpose, Shares available for issue upon exercise of options or vesting of share awards granted but lapsed in accordance with the terms of the Share Incentive Scheme or any other share scheme of the Company).

The total number of Shares available for issue pursuant to all options and share awards granted to Service Provider Participants (as defined in the Prospectus) under the Share Incentive Scheme shall not exceed 10,000,000 Shares in aggregate, being 1% of the total number of Shares in issue as at the Listing Date (i.e., 1,000,000,000 shares).

If the grant of any option or share award to an eligible participant will result in all options or share awards granted under the Share Incentive Scheme and any other share schemes of the Company during the twelve month period up to and including the date of such grant (excluding any options lapsed in accordance with the terms of the Share Option Scheme and share awards lapsed in accordance with the terms of the Share Award Scheme or any other share scheme of the Company), the total number of shares issued and to be issued exceeds 1% of the total number of shares in issue, such grant is subject to separate shareholders' approval in general meeting in accordance with the requirements of the Listing Rules.

Since the adoption date of the Share Incentive Scheme and up to the date of this annual report, no options or share awards have been granted, exercised, cancelled or lapsed under the Share Incentive Scheme and no options or share awards remain outstanding. At the beginning and end of the Year and at the date of this annual report, the number of options available for grant under the Share Option Scheme and the number of share awards available for grant under the Share Award Scheme remain at 100,000,000 Shares, of which 10,000,000 Shares are available for grant to the Service Provider Participants.

During the Year, no options or share awards were granted under the Share Incentive Scheme. Accordingly, the weighted average number of shares issued in respect of options and awards granted under all schemes of the Company during the Year divided by the relevant share classes in issue during the Year is zero.

The principal terms of the Share Option Scheme and the Share Award Scheme are as follows:

(a) Purposes

The purpose of the Share Incentive Schemes is to: (a) provide our Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to Eligible Participants (as defined below); (b) align the interests of Eligible Participants with those of our Company and Shareholders by providing such Eligible Participants with the opportunity to acquire proprietary interests in our Company and become Shareholders; and (c) encourage Eligible Participants to contribute to the long-term growth, performance and profits of our Company and to enhance the value of our Company and our Shares for the benefit of our Company and Shareholders as a whole.

(b) Types of awards

The Share Incentive Schemes comprise:

(i) the Share Option Scheme which awards options to subscribe for such number of Shares at a specified price during specified time periods (the "**Share Option**"); and

(ii) the Share Award Scheme which awards a right to receive Shares (the "**Share Award**") (collectively, the "**Awards**").

(c) Eligibility

The following participants are eligible to participate in the Share Incentive Schemes (the "**Eligible Participants**"):

Employee Participants	Any employee or chief executive officer, executive or non-executive director (including independent non-executive Directors) of our Company or any subsidiary of it and any person who has contracted to be employed (on a full-time or part-time basis) by our Company or any of its subsidiaries but whose employment has not commenced and any person to whom our Board wishes to offer Awards as an inducement to become an executive or director of our Company or any of our subsidiaries;
Related Entity Participant	Any director, chief executive of or person employed (on a full-time or part-time basis) by any of the holding companies, fellow subsidiaries or associated companies of our Company;
Service Provider Participant	Any person who provides services to the Group (the "**Service Provider**") on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to any consultant, independent contractor or adviser where the continuity and frequency of their services are akin to those of employees of the Group, excluding (for the avoidance of doubt): (i) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions; and (ii) professional service providers (including but not limited to auditors or valuers) who provide assurance, or are required to perform their services with impartiality and objectivity.

(d) Limits on numbers of Shares available under the Share Incentive Schemes

The Share Incentive Schemes shall have the following limits:

Total scheme limit	The maximum number of Shares issuable upon exercise of the Share Options under the Share Option Scheme or vesting of any Share Awards granted under the Share Award Schemes and any grants made under any other share schemes of our Company shall not exceed 10% of the total number of Shares in issue (excluding treasury shares) as at the Effective Date (excluding, for this purpose, Shares issuable upon exercise of Share Options or vesting of Share Awards which have been granted but which have lapsed in accordance with the terms of the Share Incentive Schemes or any other share schemes of our Company).
Service Provider Participants sub-limit	The total number of Shares which may be issued pursuant to all Awards to be granted to Service Provider Participants under the Share Incentive Schemes must not, in aggregate exceed 1% of the total number of Shares in issue as at the Effective Date.

The above limits may be refreshed by Shareholders at general meeting in accordance with Rule 17.03C of the Listing Rules.

(e) Maximum entitlement of each Participant

Where any grant of Share Options or Share Awards to an Eligible Participants would result in the total number of Shares issued and to be issued in respect of all Share Options or Share Awards granted (excluding any Share Options lapsed in accordance with the terms of the Share Option Scheme and Share Awards lapsed in accordance with the terms of the Share Award Scheme or any other share schemes of our Company) under the Share Incentive Schemes and any other share schemes of our Company in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue, such grant must be separately approved by the Shareholders in general meeting in accordance with the requirements of the Listing Rules with such Eligible Participant and his/her close associate (or associates), if the Eligible Participants is a connected person (as defined under the Listing Rules), or such persons as may be required under the Listing Rules from time to time, abstaining from voting. The number and terms of Share Options and Share Awards to be granted to such Eligible Participants must be fixed before the approval of the Shareholders. In such event, our Company must send a circular to the Shareholders containing all information required under the Listing Rules.

(f) Administration

The Share Incentive Schemes shall be administered by our Board, which may establish a committee or appoint person(s) to administer and implement the Share Incentive Schemes (collectively, the "**Scheme Administrator**"), and in relation to the Share Award Scheme, a trustee to be appointed by our Company for the purpose of the Share Award Scheme which will be an independent third party and not connected with our Company or our connected persons (the "**Trustee**"). The Scheme Administrator's powers are subject to applicable laws, rules and regulations, and include the power to: (a) interpret and construe the provisions of the Share Incentive Schemes; (b) determine the persons who will be granted Awards under the Share Incentive Schemes, the terms and conditions on which the Awards are granted and under what conditions will the Awards granted pursuant to the Share Incentive Schemes vest; (c) make such appropriate and equitable adjustments to the terms of the Awards granted under the Share Incentive Schemes as it deems necessary; and (d) make such other decisions or determinations as it shall deem appropriate in the administration of the Share Incentive Schemes.

Notwithstanding these powers, the Scheme Administrator and as the case may be, the Trustee, shall comply with all applicable shareholder approval, announcement, circular, and reporting requirements imposed by the Listing Rules (as amended from time to time) and shall be subject to applicable laws, rules and regulations.

(g) Grants

Grants of Awards shall be determined by the Scheme Administrator and shall be made to Eligible Participants only.

Grants shall not be made and in relation to the Share Awards, no directions or recommendation shall be given to the Trustee with respect to a grant of an Award under the Share Award Scheme, in contravention of the Model Code set out in Appendix 10 to the Listing Rules and where our Company is in possession of unpublished inside information and until (and including) one full trading day after the date that such information is announced, including within the one month prior to the earlier of our Board approving any annual, half-year or quarterly results, or the deadline for our Company announcing such results under the Listing Rules.

(h) Award Letter

A grant shall be accompanied by an award letter (the "**Award Letter**"), which shall set out the particulars, terms and conditions of the grant, including particulars of the grant or Award, vesting conditions, method of settlement, and other rights or restrictions attached to or in respect of the Award (or underlying award shares).

(i) Satisfaction of Share Awards

For the Share Awards, our Company shall, as soon as reasonably practicable and no later than 30 business days from the Award Letter, issue and allot Shares to the Trustee, or transfer to the Trustee the necessary funds and instruct the Trustee to acquire Shares through on-market transactions at the prevailing market price (the "**Trustee Shares**"). The Trustee Shares will be held in trust for the Eligible Participants until their vesting. When the Eligible Participant has satisfied all vesting conditions (if any) specified by our Board at the time of making the Share Awards and becoming entitled to the Trustee Shares, the Trustee shall transfer the relevant Trustee Shares to that Eligible Participant.

(j) Acceptance

The Scheme Administrator shall determine the period within which a grant may be valid for acceptance by the grantee (the "**Grantee**"), being any Eligible Participant approved for participation in the Share Incentive Schemes and who has been granted any Award pursuant to the Share Incentive Schemes, and the method of and purchase price (if any) payable with acceptance, which shall be set out in the Award Letter. However, if not otherwise specified in the Award Letter, a Grantee shall have 10 Business Days from the grant date to accept the Award. Any Awards not accepted by the Grantee within the acceptance period (in the manner specified in the Award Letter) shall be deemed as declined and automatically lapse.

(k) Vesting period

The Scheme Administrator shall determine the vesting period and specify this in the Award Letter. However, the vesting period may not be for a period less than 12 months from the grant date, except in limited circumstances set out in the Share Incentive Schemes. These circumstances may only apply to Employee Participants and are consistent with the scenarios contemplated in FAQ 092–2022 issued by the Stock Exchange, including where:

(i) grants of "make-whole" share awards to an Employee Participant who is a new joiner to replace the share awards he/she has forfeited when leaving the previous employer;

(ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event, in which circumstances the vesting of shares awards may accelerate;

(iii) grant of Awards that are subject to performance-based vesting conditions, in lieu of time-based vesting criteria;

(iv) Awards are granted in batches during a year for administrative and compliance reasons, in which case, the vesting period may be shorter to reflect the time from which the awards would have been granted;

(v) Awards are granted with a mixed or accelerated vesting schedule (such as where the awards may vest evenly over a period of 12 months); and/or

(vi) Awards with a total vesting and holding period of more than 12 months.

(l) Vesting conditions

The Scheme Administrator may set vesting conditions on Awards, which shall be specified in the Award Letter. These include performance targets, criteria or conditions to be satisfied in order for the relevant Award to vest and be settled by our Company, and may be based on, among other criteria, performance appraisals within a specified period, business/financial/transactional/performance milestones, current and anticipated future contribution to our Group and business, minimum service period, upon reaching other specified targets.

(m) Voting and dividend rights

Awards do not carry any right to vote at general meetings of our Company, nor any right to dividends, transfer or other rights. No Grantee shall enjoy any of the rights of a Shareholder by virtue of being granted an Award unless and until the Shares underlying an Award are delivered to the Grantee pursuant to the vesting and exercise of such Award.

In addition, the Trustee shall not exercise the voting rights in respect of any Trustee Shares held under the Trust. In particular, the Trustee holding unvested Trustee Shares under the Share Award Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

(n) Transferability

Any Awards granted shall be personal to the Eligible Participant, and no right or interest of an Eligible Participant in any Award may be pledged, encumbered, or hypothecated to or in favour of any party other than our Company or a subsidiary, or shall be subject to any lien, obligation, or liability of such Eligible Participant to any other party other than our Company or a subsidiary. Except as otherwise provided by our Board, no Award shall be assigned, transferred, or otherwise disposed of by an Eligible Participant.

(o) Term of the Share Incentive Schemes and termination

Subject to any early termination as determined by our Board, the Share Incentive Schemes shall have a plan life of ten years from the date it is granted and listing of the Shares on a recognised stock exchange, unless an earlier time is set in the Award Letter.

No grants may be made after termination of the Share Incentive Schemes. Notwithstanding termination of the Share Incentive Schemes, the Share Incentive Schemes and the rules thereunder shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of Awards granted prior to termination, and the termination shall not affect any subsisting rights already granted to a Grantee. For the avoidance of doubt, Awards granted during the plan life but that remain unexercised or unexpired prior to the termination shall continue to be valid and exercisable in accordance with the Share Incentive Schemes and the relevant Award Letter.

(p) Exercise price of a Share Option

The exercise price of a Share Option shall be determined by our Board and set forth in the Award Letter.

The exercise price of a Share Option may be a fixed or variable price related to the fair market value of the Share provided that such exercise price shall be at least the higher of (1) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (2) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading days immediately preceding the date of grant.

Notwithstanding the above, the exercise price per Share may be adjusted or amended in the absolute discretion of our Board to the extent permitted by the applicable laws (including the Listing Rules), the determination of which shall be final, binding and conclusive.

(q) Grant to connected persons

Any grant of Awards to a connected person (as defined in the Listing Rules) of our Company or any of his or her associates (as defined in the Listing Rules) shall comply with all applicable laws, rules and regulations, including but not limited to the Listing Rules from time to time.

(r) Expiration of Share Options and/or Share Awards

(i) A Share Option may not be exercised and (ii) a Share Award may not be vested and will automatically lapse upon the occurrence of any one of the following events:

(1) an earlier time is set in the Award Letter;

(2) following the Grantee's death or permanent incapacity, bankruptcy, or where the Grantee ceases to be an Eligible Participant or terminates their employment or contractual engagement with our Group for reasons other than as already provided for in the Share Incentive Schemes, or where the Grantee's employment or contractual engagement has been suspended, or the Grantee's position in or with respect to our Group has been vacated, for more than six months;

(3) upon the Grantee being convicted of any criminal offence involving his or her integrity or honesty, or charged, convicted or held liable for any offence under the relevant securities laws, regulations or rules in force from time to time in Hong Kong or elsewhere;

(4) the Award has not been accepted by the Grantee (in the manner specified in the Award Letter) within the acceptance period;

(5) forfeiture of the Award by the Grantee;

(6) the Grantee transfers the award in breach of the transferability provisions specified in the plan; or

(7) the date of the commencement of the winding-up of the Company.

(s) Amendment, modification and termination

Subject to the applicable laws, the Share Incentive Schemes may be altered in any respect (including but not limited to amendment and alterations for the purpose of complying with the Listing Rules) by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Eligible Participants.

No alteration shall be made to any of the rules of the Incentive Schemes which is of a material nature or is related to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Eligible Participants unless such alteration is approved by the Shareholders in general meeting.

Any change to the terms of an Award granted to an Eligible Participant must be approved by the Board, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of this Scheme.

Any change to the authority of the Directors or Scheme Administrator to alter the terms of the Share Incentive Schemes must be approved by the Shareholders of the Company in general meeting.

Written notice of any amendment to the Share Incentive Schemes shall be given to all Eligible Participants with subsisting Awards.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in Note 25 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group and of the Company during the Year are set out in the consolidated statement of changes in equity on page 102 and Note 26, respectively, to the consolidated financial statements in this annual report. Details of the Company's reserves available for distribution to the Shareholders as of 31 March 2025 are set out in Note 33 to the consolidated financial statements in this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 14 to the consolidated financial statements.

BANK LOANS AND OTHER BORROWINGS

As at 31 March 2025, bank loans and other borrowings amounted to HK$58.2 million.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2024: Nil).

DIVIDEND POLICY

The Company has adopted a dividend policy. The payment and the amount of dividends is at the discretion of the Directors and depends on factors such as the Group's financial results, cash flow situation, business condition and strategies, and future operations and earnings. Any final dividend for a financial year will be subject to Shareholders' approval. Dividends may be paid only out of the Company's distributable profits as permitted under the relevant laws. Subject to the Companies Act of the Cayman Islands and the Articles of Association, the Company in general meetings may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board. The Group's historical payment of dividends may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future. Any distributable profits that are not distributed in any given year will be retained and available for distribution in subsequent years. To the extent that are distributed as dividends, such portion of profits will not be available to be reinvested in our operations.

The Company was not aware of any Shareholders who had waived or agreed to waive any dividend arrangement for the Year.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS AND SIMILAR RIGHTS

Save as disclosed, the Company had no outstanding convertible securities, options, warrants and similar rights during the Year and there was no issue or grant of any convertible securities, options, warrants and similar rights during the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save for the Share Incentive Schemes, at no time during the Year and up to the date of this annual report, was the Company or any of its holding companies, subsidiaries or fellow subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of the shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

EQUITY-LINKED AGREEMENTS

Save for the Share Incentive Schemes, no equity-linked agreement was entered into by the Company during the Year, or subsisted at the end of 31 March 2025.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

TAX RELIEF

The Board is not aware of any tax relief available to the Shareholders by reason of their holding of the Company's Shares.

DONATION

During the Year, the Group made charitable donations amounted to HK$3.4 million.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Board, the Board confirms that the Company has maintained the public float as required by the Listing Rules as of the latest practicable date prior to the issue of this annual report.

CORPORATE GOVERNANCE

A report on the principles of corporate governance practices adopted by the Company is set out in the Corporate Governance Report in this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year, to the best knowledge of the Board, there was no material breach or non-compliance with the relevant laws and regulations by the Group that have a significant impact on the Group.

MATERIAL LEGAL PROCEEDINGS

For the Year, to the best knowledge of the Board, there was no actual or pending legal, arbitration or administrative proceedings that would have a material adverse effect on the Group's business, results of operations, financial condition or reputation, and compliance with applicable laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") MATTERS

The Group's environmental policies, performance, adherence to applicable laws and regulations, and engagement with employees, customers, suppliers, and other key stakeholders are outlined in the "ESG Report".

USE OF PROCEEDS

Details of the Group's use of proceeds from the Listing are set out in the section headed "Use of Proceeds from the Share Offer" in this annual report.

SUBSEQUENT EVENTS AFTER THE YEAR

On 1 April 2025, Wing Lee New Energy Limited, being an indirect wholly-owned subsidiary of the Group (the "**purchaser**") entered into a purchase agreement with China Wealth Hong Kong (the "**vendor**") for acquisition of machineries at a consideration of HK$1,732,000. The purchase, when aggregated with the previous purchases from the same vendor since the Listing Date and up to the date of the purchase agreement, constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Details of the purchase agreement, please refer to the announcement of the Company dated 1 April 2025.

The vendor, being (i) a fellow subsidiary of Sany International, (ii) a fellow subsidiary of Sany Heavy Industry; and (iii) a group company of one of our cornerstone investors, namely Sany HK.

To avoid any potential conflict of interest going forward, any transactions with Sany HK or its group companies (including with China Wealth Hong Kong) after the Listing will have to be approved by our independent non-executive Directors. In addition, any material purchase of machinery has to comply with our Group's procurement policy.

The abovementioned previous purchases and the purchase have been approved by the independent non-executive Directors at the time, being Mr. Shang Hailong, Mr. Fu He and Mr. Leung Wai Hung.

With effect from 14 July 2025, Ms. Tse Ka Wing resigned as an executive Director; Mr. Leung Wai Hung resigned as an independent non-executive Director and ceased to be the chairperson of the Audit Committee and a member of the Remuneration Committee; and Ms. Xu Jing was appointed as an independent non-executive Director, the chairperson of the Audit Committee, and a member of each of the Nomination Committee and the Remuneration Committee.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the Listing Rules. The Audit Committee comprises the three independent non-executive Directors of the Company, namely Ms. Xu Jing, Mr. Shang Hailong and Mr. Fu He. Ms. Xu Jing is the chairperson of the Audit Committee. Mr. Leung Wai Hung, a former independent non-executive Director, had served as the chairperson until his resignation with effect from 14 July 2025, following which Ms. Xu Jing was appointed as the chairperson on the same day.

The Audit Committee has reviewed the annual results of the Group for the Year. The Audit Committee has also reviewed and discussed matters with respect to the accounting policies and practices adopted by the Company, and the internal control of the Group, with senior management members and external auditor of the Company.

AUDITOR

PricewaterhouseCoopers, which has audited the consolidated financial statements of the Company for the Year, will retire as the auditor of the Company at the AGM, and being eligible, offer itself for re-appointment. A resolution will be proposed at the AGM to re-appoint PricewaterhouseCoopers as the auditor of the Company.

ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS

The AGM will be held on Thursday, 18 September 2025. The notice of AGM and all other relevant documents will be published in August 2025.

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 15 September 2025 to Thursday, 18 September 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 12 September 2025 (Hong Kong Time), being the last registration date.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual report is published on the Company's website (www.winglee.com.hk) and the Stock Exchange's website (www.hkexnews.hk).

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 period.

By order of the Board

Yiu Wang Lee
Chairman and Executive Director

Hong Kong, 25 June 2025

The Board is pleased to present this Corporate Governance Report in the Group's annual report for the Year.

The Company strives to maintain high standards of corporate governance to safeguard the interests of its Shareholders and to enhance corporate value and accountability. The Board believes that good corporate governance is essential to the success of the Company and the enhancement of shareholders' value. The Company adopts the principles set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Listing Rules and embedding best governance practices throughout the organization.

COMPLIANCE WITH THE CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the holders of the shares of the Company (the "**Shareholders**") and to enhance corporate value and accountability.

The Company has adopted the CG Code as its own code of corporate governance. Since the Listing Date and as of 31 March 2025, the Board is of the view that the Company has complied with all applicable principles and code provisions of the CG Code, except the deviation from code provision C.2.1 of the CG Code as disclosed below, which is explained in the relevant paragraph of this report.

The Board will continue to review its corporate governance structure and practices from time to time to ensure compliance with the CG Code and to maintain a high standard of corporate governance and shall make necessary arrangements as the Board considers appropriate.

Corporate culture

The Company is committed to cultivating a corporate culture based on the corporate culture of "Safety First, Technology Leadership, Environmentalism Commitment, Quality Excellence, Integrity & Transparency, Teamwork" with the mission of "To create value and serve society" and the vision of "To innovate green building models, participate in the construction of smart cities, and remain committed to the sustainable development of society and enterprises", so that employees at all levels of the Group can realize growth through law-abiding, ethical and responsible behavior and fully realize their potential. This enables the Company to deliver sustainable long-term performance and operate in a socially and environmentally sound manner. The Company's mission and values provide guidance on employee conduct and behavior and ensure that they are integrated into the Company's business practices, workplace policies and practices, and stakeholder relationships. The management is responsible for setting the tone and corporate culture of the Company, defining the mission, values and strategic direction of the Group, which are reviewed by the Board. The Group's culture, mission, values and strategy are consistent, taking into account the corporate culture embodied in various environments such as workforce engagement, staff retention and training, legal and regulatory compliance, employee safety, welfare and support.

THE BOARD

Roles and Responsibilities

The Board is responsible for, and has general powers for, the management and conduct of our business. The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times. The Board should regularly review the contribution required of a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time in performing them.

Board Composition

The Board structure is governed by the Articles of Association. All Directors, including the independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

From the Listing Date up to the latest practicable date prior to the printing of this annual report, the Board of the Company comprised the following Directors:

Executive Directors
Mr. Yiu Wang Lee *(Chairman of the Board and Chief Executive Officer)*
Mr. Yiu Wang Lung *(Deputy chairman of the Board)*
Mr. Chan Lo Man
Ms. Tse Ka Wing *(resigned with effect from 14 July 2025)*

Independent non-executive Directors
Mr. Shang Hailong
Mr. Fu He
Mr. Leung Wai Hung *(resigned with effect from 14 July 2025)*
Ms. Xu Jing *(appointed with effect from 14 July 2025)*

Biographies of the Directors and senior management of the Group are set out in the section headed "Directors and Senior Management" in this annual report. Save as disclosed therein, the Directors do not have financial, business, family or other material/relevant relationships with one another.

Save for Ms. Xu Jing, each Director confirmed that he/she (a) obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 25 June 2024. Ms. Xu Jing confirmed that she obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 11 July 2025. Each Director confirmed that he/she understood his/her obligations as a director of a listed issuer under the Listing Rules.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and Chief Executive Officer of the Company is Mr. Yiu Wang Lee. Code provision C.2.1 of the CG Code stipulates that the responsibilities between the chairman and the chief executive officer should be separate and should not be performed by the same individual. Mr. Yiu Wang Lee ("**Mr. Yiu**") is the chairman of the Board and chief executive officer of the Group. Mr. Yiu is primarily responsible for the overall management, formulation of business strategies, project management and day-to-day management of the operations of the Group and is instrumental to our growth and business expansion. In view of Mr. Yiu's extensive experience of over 26 years in the civil and electrical cable engineering industries, including his personal profile and critical role in the Group and its historical development, our Board considers that vesting the roles of chairman and chief executive officer in the same individual will provide a strong and consistent leadership which is beneficial to the management and performance of the Group. The Board will continue to review the effectiveness of the corporate governance structure of the Group and assess whether separation of the roles of chairman and chief executive officer is necessary.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received written annual confirmation from each independent non-executive Director of his/her independence pursuant to the Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent as at the date of this annual report.

The company has complied with Rules 3.10 and 3.10A of the Listing Rules in relation to the appointment of a sufficient number of independent non-executive Directors and the appointment of at least one independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise.

Each independent non-executive Director has also demonstrated his/her ability to provide an independent view to the Company's matters and valuable contributions to the Company during his/her term of office and each of them is neither interested in the securities or business of the Company nor connected with any Director, senior management or substantial or controlling shareholders of the Company. The company has also received a written confirmation from each independent non-executive Director confirming his/her independence in accordance with Rule 3.13 of the Listing Rules. We therefore consider each of them to be independent and believe that each of them will continue to contribute to the Company and the Board committees he/she serves and fulfill the roles of independent non-executive Director.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The procedures and process of appointment, re-election and removal of the Directors are laid down in the Articles of Association. The primary functions of the Nomination Committee include, without limitation, reviewing the structure, size and composition of the Board, assessing the independence of Independent Non-executive Directors and making recommendations to the Board on matters relating to the appointment of Directors.

Each of our executive Directors has entered into a service agreement with the Company for an initial fixed term of three years commencing from the Listing Date. The term of service shall be renewed and extended automatically by three years on the expiry of such initial term and on the expiry of every successive period of three years thereafter, unless terminated by either party thereto giving at least three months' written notice of non-renewal before the expiry of the then existing term. Each of our independent non-executive Directors has entered into a letter of appointment with the Company for an initial fixed term of three years commencing from the Listing Date (in the case of Mr. Shang Hailong and Mr. Fu He), and from 14 July 2025 (in the case of Ms. Xu Jing). The term of service shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, unless terminated by either party thereto giving at least one month's written notice of non-renewal before the expiry of the then existing term.

In accordance with the Articles of Association, all of the Directors are subject to retirement by rotation at least once every three years and the Board has power from time to time and at any time to appoint any new Director to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office until the first general meeting of the Company after his/her appointment and shall then be eligible for re-election at that meeting.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that they remain informed and relevant for their contribution to the Board.

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

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the Year, all Directors had participated in continuous professional development in the following manner in compliance with code provision C.1.4 of the Corporate Governance Code:

Name of Director	Type of Training *(Notes)*
Mr. Yiu Wang Lee	A/B
Mr. Yiu Wang Lung	A/B
Mr. Chan Lo Man	A/B
Ms. Tse Ka Wing *(resigned with effect from 14 July 2025)*	A/B
Mr. Shang Hailong	A/B
Mr. Fu He *(resigned with effect from 14 July 2025)*	A/B
Mr. Leung Wai Hung	A/B

Notes:

A: Attending trainings and/or seminars and/or conferences and/or forums and/or briefings.

B: Reading materials on various topics, including corporate governance matters, directors' duties and responsibilities, Listing Rules and other relevant laws.

BOARD MEETINGS AND DIRECTORS' ATTENDANCE RECORD

Code provision C.5.1 of the Corporate Governance Code prescribes that at least four regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of Directors, either in person or through electronic means of communication.

The records of the attendance of the Directors of the Company at the Board meetings, the Audit Committee meetings, the Remuneration Committee meetings, the Nomination Committee meetings and the general meetings held during the period from the Listing Date to 31 March 2025 are set out below:

Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
Executive directors					
Mr. Yiu Wang Lee	3/3	—	1/1	1/1	—
Mr. Yiu Wang Lung	3/3	—	—	—	—
Mr. Chan Lo Man	3/3	—	—	—	—
Ms. Tse Ka Wing *(resigned with effect from 14 July 2025)*	3/3	—	—	—	—
Independent non-executive directors					
Mr. Shang Hailong	3/3	1/1	1/1	1/1	—
Mr. Fu He	3/3	1/1	—	1/1	—
Mr. Leung Wai Hung *(resigned with effect from 14 July 2025)*	3/3	1/1	1/1	—	—

BOARD PRACTICES AND CONDUCT OF MEETINGS

Annual meeting schedules and draft agenda of each meeting are normally made available to Directors in advance.

Notice of regular Board meetings is served to all Directors at least 14 days before the meeting. For other Board and committee meetings, a reasonable notice is generally given. Board papers together with all appropriate, complete and reliable information are sent to all Directors at least three days before each Board meeting or committee meeting to enable them to make informed decisions.

The Board reviews on an annual basis, and has reviewed and is satisfied with the implementation and effectiveness of the mechanism to ensure independent views and input are available to the Board. All Directors have full and timely access to all relevant information and the advice/services of the company secretary, with a view to ensure that Board procedures and all applicable laws and regulations are properly followed. The Board and each Director also have separate and independent access to the senior management where necessary. Each Director can seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The relevant members of the senior management team attend all regular Board meetings and where necessary, other Board and committee meetings, to advise on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company. The company secretary is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to Directors for comments within a reasonable time after each meeting and final versions are open for Directors' inspection.

The Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their close associates is materially interested, subject to the exceptions therein.

CORPORATE GOVERNANCE FUNCTIONS

The Board confirmed that corporate governance is a collective responsibility of the Directors. The Board is responsible for performing the corporate governance duties set out in the CG Code which include to (a) review and monitor the Company's policies and practices in complying with legal and regulatory requirements; (b) review and monitor the training and continuous professional development of the Directors and senior management; (c) develop, review and monitor the code of conduct and compliance manual applicable to employees and the Directors; (d) develop and review the Company's corporate governance and practices, make recommendations and report on related issues to the Board; (e) review the Company's compliance with the CG Code and disclosures in the Corporate Governance Report; and (f) review and monitor the Company's compliance with its whistleblowing policy.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee for overseeing particular aspects of the Company's affairs. All Board committees are established with defined written terms of reference which set out the authority and duties of each committee and are available on the websites of the Stock Exchange and the Company. All or the majority of the members of the Audit Committee, the Remuneration Committee, and the Nomination Committee are independent non-executive Directors.

The Board committees are provided with sufficient resources to discharge their duties and, if necessary, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit Committee

The Audit Committee consists of Ms. Xu Jing, Mr. Shang Hailong, and Mr. Fu He, all of whom are independent non-executive Directors, with Ms. Xu Jing serving as the chairperson. Mr. Leung Wai Hung, a former independent non-executive Director, had served as the chairperson of the Audit Committee until his resignation with effect from 14 July 2025, following which Ms. Xu Jing was appointed as the chairperson of the Audit Committee on the same day. Ms. Xu Jing holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee include, but are not limited to, making recommendations to the Board on the appointment, reappointment and removal of the external auditor; reviewing the financial statements and material advice in respect of financial reporting, oversee the financial reporting process, internal control, risk management systems and audit process of the Company; and performing other duties and responsibilities as assigned by the Board.

During the period from the Listing Date to 31 March 2025, the Audit Committee held one meeting. It reviewed the interim results of the Group for the six months ended 30 September 2024, as well as the reports prepared by the external auditors relating to their major findings in the course of audit/review. In addition, it reviewed the Company's compliance with the CG Code, and the disclosure in this corporate governance report. The Audit Committee has also reviewed the Group's financial reporting process, risk management and internal control systems, whistleblowing policy, accounting principles and practices, and selection and appointment of the external auditors.

Remuneration Committee

The Remuneration Committee consists of two independent non-executive Directors, namely, Mr. Shang Hailong and Ms. Xu Jing and one executive Director, namely Mr. Yiu Wang Lee, with Mr. Shang Hailong serving as the chairperson. Mr. Leung Wai Hung, a former independent non-executive Director, had served as a member of the Remuneration Committee until his resignation with effect from 14 July 2025, following which Ms. Xu Jing was appointed as a member of the Remuneration Committee on the same day.

The primary duties of the Remuneration Committee include, but are not limited to, the following: (i) making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) making recommendations to the Board on the remuneration packages of individual executive and non-executive Directors and senior management; (iii) reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time; (iv) considering factors such as the level of remuneration salaries paid by comparable companies, time commitment and responsibilities of Directors and senior management and employment conditions of the Group; (v) reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; (vi) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with the contractual terms and that are otherwise reasonable and appropriate; (vii) ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration; and (viii) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

Details of the aggregate remuneration (the remuneration package generally includes salary and year-end bonus, as well as share incentive for our key management personnel) of the senior management by bands for the Year is as follows:

Remuneration band (HK$'000)	Number of employees
0–2,000	3
2,000–4,000	2

The Remuneration Committee held one meeting during the period from the Listing Date to 31 March 2025. It reviewed and made recommendations to the Board on the remuneration packages of the individual Directors and senior management.

Nomination Committee

The Nomination Committee consists of four independent non-executive Directors, namely, Mr. Shang Hailong, Mr. Fu He and Ms. Xu Jing (who was appointed with effect from 14 July 2025), and one executive Director, namely Mr. Yiu Wang Lee, with Mr. Yiu Wang Lee serving as the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee include, but are not limited to review the structure, size and composition of our Board; and select or make recommendations on the selection of individuals nominated for directorships.

The Nomination Committee reviewed the structure, size and composition of the Board, reviewed the effectiveness of the Board Diversity Policy (as defined below) and its implementation, reviewed the effectiveness of the Director Nomination Policy (as defined below) and its implementation, reviewed the succession planning for directors, assessed the independence of the independent non-executive Directors, and made recommendations to the Board on the re-appointment of retiring Directors.

During the period form the Listing Date to 31 March 2025, the Nomination Committee held one meeting.

Director Nomination Policy

The Company has adopted a director nomination policy (the "**Director Nomination Policy**"). The Director Nomination Policy aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

The Nomination Committee shall identify, consider and recommend to the Board appropriate candidates to serve as Directors. The Director Nomination Policy sets out the criteria to be considered in evaluating and selecting a candidate for directorship, including but not limited to:

- Character and integrity
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy
- Any measurable objectives adopted for achieving diversity on the Board
- Requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company

Pursuant to the Director Nomination Policy, in the nomination process for appointment of a new director, the Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable). The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

The Nomination Committee will review the Director Nomination Policy as appropriate from time to time, to ensure its effectiveness.

DIVERSITY

Board Diversity

The Board has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve diversity on the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in supporting the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talents, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. We will continue to implement measures and steps to promote and enhance gender diversity at all levels of the Company. We will select potential Board candidates based on merit and his/her potential contribution to the Board while taking into account our Board Diversity Policy and other factors. The Company will also take into consideration our own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

During the Year, the Company has achieved the following measurable objectives:

(1) at least half of the Board are holders of a Bachelor's degree or above;

(2) at least one Director is a qualified accountant;

(3) at least one Director has relevant experience in civil engineering industry;

(4) at least one Director has relevant experience in finance; and

(5) at least one female Director in the Board.

Therefore, the Board is of the view that the composition of the Board satisfies the Board Diversity Policy.

The Nomination Committee is responsible for reviewing the composition of the Board, including but not limited to diversity of skills, knowledge and experience and length of service. The Nomination Committee will continue to monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Board, as supported by the Nomination Committee, has reviewed and is satisfied with the implementation and effectiveness of the Board Diversity Policy during the Year.

Workforce Diversity

As at 31 March 2025, we had 411 full-time employees and the gender ratio of male and female in the workforce (including senior management) is 81.3%:18.7%, which demonstrated gender diversity in our workforce. The Group will continue to maintain gender diversity in the workforce in the future, and will not emphasis in employing personnel of a particular gender. Gender is neutral in our recruitment consideration as no position of any kind in the Group requires any capability or skill that is regarded as performed better by one gender than another.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the Year.

The Board is responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and relevant statutory and regulatory requirements and applicable accounting standards are complied with.

The Board has received from the senior management the management accounts and such accompanying explanation and information as are necessary to enable the Board to make an informed assessment for approving the financial statements.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors.

Having made specific enquiry of all Directors, each of them has confirmed that he/she complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the period from the Listing Date up to the date of this annual report. No incident of non-compliance of the Model Code by the employees who are likely to be in possession of inside information of the Company was noted by the Company throughout the period from the Listing Date up to the date of this annual report.

RISK MANAGEMENT

We are exposed to various risks, including operational risks and financial risks, for our operations, so risk management is important for our business. We have designed and adopted a consolidated set of risk management policies in compliance with the Listing Rules and the Corporate Governance Code which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an on-going basis. The Audit Committee, and ultimately the Board supervises the implementation of our risk management policies. Risks identified by senior management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by the Company and reported to the Board.

Our senior management implements the risk management policies, strategies and plans set by the Board. Our senior management is responsible for (i) formulating our risk management policy and reviewing major risk management issues of the Company; (ii) providing guidance on our risk management approach to the relevant teams in the Company and supervising the implementation of our risk management policy by the relevant departments; and (iii) reporting to the Audit Committee on our material risks.

Each functional team in the Company, including the finance teams, monitors and evaluates the implementation of risk management and internal control policies and procedures on a day-to-day basis. In order to formalize risk management across the Company and set a common level of transparency and risk management performance, the relevant teams will (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect their objectives; (iii) prepare a risk management report bi-annually for our chief executive officer's review; (iv) continuously monitor the key risks relating to their operation or function; (v) implement appropriate risk responses where necessary; and (vi) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework.

With respect to urgent matters which arise between scheduled Board meetings, the company secretary may also seek Board approval via telephone conference call or written Board consent. Before each Board meeting, an agenda is prepared with input from Directors, as well as from senior management and other vice presidents. At Board meetings, depending on the agenda, different team heads will gather information relating to their functions and report to the Board on the relevant agenda items, as necessary. The company secretary attends all Board meetings to ensure that there is no gap in communication between the two bodies. During Board meetings, the Board will on occasion further review and/or analyze particular issue and report their findings at the next Board meeting. The Board believe that our corporate structure provides an appropriate system of checks and balances to improve our risk management procedures.

The Audit Committee also reviews and approves our risk management policy to ensure that it is consistent with our corporate objectives, reviews and approves our corporate risk tolerance, monitors the most significant risks associated with our business operation and our management's handling of such risks, reviews our corporate risk in light of our corporate risk tolerance, and monitors and ensures the appropriate application of our risk management framework across the Company.

INTERNAL CONTROL AND RISK MANAGEMENT

We are exposed to a variety of risks, namely credit risk, operational risk, legal and compliance risk, as well as the risks posed by climate change and extreme weather. We have developed a risk management and internal control systems to address the risks we are subject to.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board, as the main body responsible for risk management and internal control of the Company, have adopted a series of internal control policies, procedures and programmes designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. To maintain a high standard of corporate governance of the Group, for the Group's internal control and risk management systems primarily to assist the Board and the management to assess the adequacy and effectiveness of the Group's internal control and risk management systems for the Year. The scope of the review included the Group's major internal control and risk management functions, such as financial control, operations control and compliance control. The Company will continue to follow up on the improvement measures suggested by the Adviser to ensure effective implementation of the measures. The Board and Audit Committee are of the view that there were no material defects noted.

The Group regularly provides training to our Directors, senior management and employees with respect to our internal control policies and the duties and responsibilities of directors and management of listed companies under the Listing Rules and other applicable laws and regulations.

In addition, the Company has appointed Alliance Capital Partners Limited as our compliance adviser to advise on ongoing compliance with the Listing Rules and other applicable securities laws and regulations in Hong Kong.

The Audit Committee's Review of the Internal Audit Function

The Board acknowledges that it is responsible for the risk management and internal control systems of the Company and its subsidiaries and reviewing their effectiveness, and will ensure that such review is conducted at least annually. The Audit Committee is responsible for supervising our internal audit function. The Board, as supported by the Audit Committee, as well as the confirmation from management, reviewed the effectiveness of the risk management and internal control systems of the Group, including the financial, operational and compliance controls, and considered that such systems are effective and adequate during the Year. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Audit Committee will continue to review the effectiveness of the Group's risk management and internal control systems on an on-going basis and reports to the Board on, at least, an annual basis.

The Company adopts internal controls and reporting systems on handling and dissemination of inside information in accordance with "Guidelines on Disclosure of Inside Information" issued by the SFC, which set out procedures in handling inside information in a secure and proper manner as well as those aimed to avoid mishandling of inside information of the Group.

Board Independence

The Group has established a mechanism to ensure that the Board has access to independent advice and recommendations and encourages all Directors, including independent non-executive Directors, to express their views in an open manner during Board/Board committee meetings. In addition, all Directors, including independent non-executive Directors, have the right to request further information and documents from management on matters discussed at Board meetings. They may also seek the assistance of the Company Secretary (the "**Company Secretary**") and, if necessary, independent advice from external professional advisers at the Company's expense. The Board will review the mechanism annually to ensure the independence of the Board.

WHISTLEBLOWING AND ANTI-CORRUPTION POLICY

The Group believes that an integrity-driven corporate culture is the key to our continued success. The Company has adopted a Whistleblowing Policy and system for employees and all independent third parties which deal with the Group to report in confidence to the Company any suspected impropriety, misconduct or malpractice within the Group. The Company has also adopted an Anti-Corruption Policy prohibiting any form of corruption and bribery and requiring persons including the Directors, office employees at various levels, and external parties having business dealings with the Group to report any actual or suspected violation thereof in a timely manner in accordance with the stated procedures. The Group actively promotes the importance of anti-corruption awareness to all employees and encourages them to report any incidents involving corruption or fraud. We will immediately investigate and take necessary and appropriate actions. At the same time, we are committed to protecting the identity of whistleblowers to eliminate all acts that may harm the interests of the Group and relevant stakeholders. The Audit Committee shall regularly review the procedures set out in the Whistleblowing Policy to improve their effectiveness, and the Anti-Corruption Policy to ensure its relevance and validity. For further details of the Company's Whistleblowing Policy and Anti-Corruption Policy, please refer to the ESG Report in this annual report.

AUDITOR'S REMUNERATION

An analysis of the remuneration paid/payable to the external auditors of the Company in respect of audit services and non-audit services for the Year is set out below:

Service Category	Fees Paid/ Payable (HK$'000)
Audit services *(Note a)*	1,370
Non-audit services *(Note b)*	640
Total	2,010

Note a: The fees in respect of audit services paid or payable to PricewaterhouseCoopers for the year.

Note b: Review of preliminary results announcement for the Year and interim report for the six months ended 30 September 2024.

COMPANY SECRETARY

With effect from 26 March 2025, Ms. Tse Ka Wing resigned as Company Secretary, and Ms. Peng Liting was appointed as the Company Secretary of the Company and has met the qualification requirements of a company secretary under Rule 3.28 of the Listing Rules. For the biography of Ms. Tse Ka Wing and Ms. Peng Liting, please refer to the section headed "Directors and Senior Management — Company Secretary" in this annual report.

For the Year, Ms. Peng Liting had complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company has adopted a shareholders communication policy (the "**Shareholders Communication Policy**") to ensure that Shareholders' views and concerns are appropriately addressed, which will be reviewed on annual basis to ensure its effectiveness. The Shareholders Communication Policy is available on the Company's website for public access. The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy and considered that the Policy has been effective during the Year and up to the date of this annual report after taking into consideration factors such as the timeliness of information disclosure, number of information and meeting requests received and responsiveness to enquiries from the Shareholders and investment community.

The general meetings of the Company provide a forum and an important channel for communication between the Board and Shareholders. The chairman of the Board as well as chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee, and or, in their absence, other members of the respective committees are available to answer questions at the general meetings. The chairman of a meeting will provide the detailed procedures for conducting a poll and answer any questions from the Shareholders on voting by poll.

To promote effective communication, the Company maintains a website at https://www.winglee.com.hk, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the re-election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting pursuant to the Listing Rules.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Room A6, 16th Floor, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, Hong Kong
Email: fannie.peng@winglee.com.hk

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Convening an Extraordinary General Meeting

Pursuant to Article 64 of the Articles of Association, an extraordinary general meeting shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the voting rights at general meetings on a one vote per Share basis in the share capital of the Company. Such requisition shall be made in writing to the Board or the company secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

Putting Forward Proposals at General Meeting

There is no single provision in the Articles of Association or the Cayman Islands Companies Law for Shareholders to put forward proposals at general meetings. Shareholders who wish to propose a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph.

Constitutional Documents

The amended and restated Memorandum and Articles of Association of the Company were adopted with effect from the Listing Date. Save as disclosed above, during the Year, the Company has not made any changes to its Memorandum and Articles of Association. The amended and restated Memorandum and Articles of Association of the Company are available on the websites of the Stock Exchange and the Company.

BOARD STATEMENT

Wing Lee Development Construction Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**we**") is pleased to present its Environmental, Social and Governance ("**ESG**") Report (the "**Report**") for the Year (the "**Year**" or "**2025**"). This Report aims to address the concerns of various stakeholders and showcase the Group's performance in sustainable development.

Business Sustainability Vision

The Group is a contractor in Hong Kong engaged in civil and electrical and mechanical engineering and new energy businesses. Our civil engineering works specialise in site formation works and road and drainage works, and our electrical and mechanical engineering works specialise in cable trench excavation, laying and emergency maintenance works. For new energy business, we undertook solar PV system works, distributed various electric commercial vehicles and electric engineering machinery, and undertook the construction of charging piles and follow-up maintenance, charging and battery swapping, recycling and energy storage businesses.

We are fully aware that achieving long-term and sustainable development goals requires not only excellent business strategies, but also active promotion of environmental and social responsibility, talent development, and community engagement. Using the United Nations' 17 Sustainable Development Goals ("**SDGs**") as a guide, we strive to achieve a balance and win-win situation among social, environmental, and economic aspects, thereby contributing to global sustainable development. Our vision is to become a pioneer in the construction industry, leading the direction and standards of industry development, and maintain the best performance in safety, health, environment and quality in the industry, promoting social welfare and environmental protection. We are also committed to actively and continuously communicating with all partners and customers to understand their needs and expectations, ensuring continuous improvement of our services. Through continuous improvement of operational quality and sustainable development capabilities, we strive to achieve long-term growth and create lasting positive impacts on society and the environment.

Responsive Climate Action and Green Transition

Hong Kong's Climate Action Plan 2050 issued by the Hong Kong Government establishes the vision of "Zero-carbon Emissions, Liveable City, Sustainable Development", which clarifies the strategy and goal of tackling climate change and achieving carbon neutrality. Driven by various favourable policies, Hong Kong's new energy industry is rapidly emerging, and sustainable construction has become an inevitable trend in the construction industry. The Group is actively responding to this trend, striving to become one of the first enterprises in the construction industry to cultivate a sustainable construction culture, realising the transformation from a traditional infrastructure provider to a green construction enterprise, and has demonstrated strong development momentum in the new energy and green infrastructure sectors.

In terms of daily operations, the Group actively implements environmental protection measures to promote the green transformation of its business in all aspects. Since 2023, the Group has been the first to achieve the mass use of electric engineering machinery, becoming a pioneer in the field of commercial clean energy applications. In addition, we have implemented an environmental management system in compliance with ISO 14001:2015 standards, strictly following environmental principles during the project planning and implementation phases to improve resource efficiency and reduce emissions. We have also established a sound waste management system to classify, recycle and reuse various types of waste generated during the construction process, aiming to minimise the impact of waste on the environment, and strive to achieve recycling of resources.

In terms of business development, the Group, as a leader in green innovation in the construction industry, will lead the expansion of the "Zero Carbon Smart Alliance", bringing in more industry-leading enterprises and strengthening cooperation among members, to collectively drive the digitalisation, smart transformation and low-carbon transition of Hong Kong's construction industry. The alliance will cover key industries such as green transportation, green buildings, smart photovoltaic and energy storage systems and smart cities. Based in Hong Kong while aiming for a global presence, we actively promote sustainable development strategies, and strive to achieve a win-win situation for economic benefits and environmental responsibilities.

Leveraging its resource advantages in the local market in Hong Kong, the Group has closely cooperated with a number of construction machinery enterprises and charging technology manufacturers. We not only engage in the distribution of electrical engineering machinery and electric commercial vehicles, but also provide supporting services such as charging piles construction and follow-up maintenance, while also introducing advanced charging systems and rapid battery swapping technologies, aiming to providing customers and partners with a full-cycle and ecological closed-loop solution for the use of new energy engineering machinery. Through the deployment of a quality and efficient energy service network, we aim to enhance confidence in electrified products in the Hong Kong market and promote the sustainable development of green energy in Hong Kong.

Optimisation of Working Environment and Enhancement of Service Quality

The Group firmly believes that talent is the core driver for sustainable business development. We always adhere to the "people-oriented" management philosophy and are committed to creating a respectful, diverse, equal, safe and healthy working environment for employees to fully develop their potential. The Group has implemented an occupational health and safety management system certified to ISO 45001:2018 standard. Guided by the principle of "leading engineering with wisdom and enabling management with technology", we also strive to develop a 4S Smart Site Safety System and an enterprise resource planning system, aiming to continuously improve the engineering safety management level and project implementation efficiency, thereby facilitate the long-term development of its business. In terms of employee career development, we provide systematic learning resources and clear promotion channels to help employees continuously improve their professional capabilities. Through continuous training, rigorous supply chain risk management and implementation of a quality management system certified to ISO 9001:2015 standard, we are committed to comprehensively improving the quality of engineering services and laying a solid foundation for the long-term success of the enterprise.

Governance Structure

The Group believes that a strong governance structure is essential for effective management of ESG matters. The Board has overall responsibility for the Group's ESG matters and is primarily responsible for (i) appointing the Group's key person responsible for ESG issues; (ii) reviewing the Group's environmental (including climate-related risks), social and governance risks; (iii) determining and approving the ESG policies, strategies, action plans and targets; (iv) approving the implementation of ESG-related measures and the resources required; (v) ensuring that the Group makes appropriate ESG disclosures, and pays attention to and promotes the improvement of ESG performance; and (vi) reviewing and approving annual ESG reports.

Under the supervision of the Board, senior management is responsible for (i) formulating and implementing the ESG policies, targets and strategies; (ii) conducting regular materiality assessments of ESG issues; (iii) identifying and continuously monitoring the Group's environmental (including climate-related risks), social and governance risks; (iv) ensuring that the Group has established appropriate and effective ESG risk management and internal control systems; (v) supervising and evaluating the implementation and performance of ESG-related policies and measures to ensure the Group's compliance with relevant regulations and industry standards; (vi) regularly communicating with the Board on ESG matters during our ordinary operations; (vii) reviewing annual ESG reports; and (viii) regularly reporting to the Board on the progress and performance of ESG work.

To ensure that the Board has adequate knowledge and understanding of the Group's ESG issues so as to effectively control ESG-related risks, the Board requires senior management to actively report on ESG-related issues involved in daily operations and follow-up actions, such as significant deviation of ESG key performance indicators ("**KPI**") from preset targets, occurrence of serious ESG incidents, changes in ESG policies from regulatory authorities, etc. The Group has also engaged a third-party consultant to ensure ESG-related disclosures comply with the relevant requirements.

Looking ahead, the Group will continue to uphold the concept of sustainable development and take a firmer step towards a new journey of sustainable development. We believe that through our unremitting efforts, the Group will achieve more remarkable achievements in sustainable development, and make greater contributions to the harmonious development of society and the environment.

ABOUT THIS REPORT

Reporting Principles

This Report has been prepared with reference to the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") as set out in Appendix C2 of the Listing Rules on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). This Report discloses various ESG efforts implemented by the Group in 2025. This Report should be read in conjunction with the Corporate Governance Report of the Annual Report to provide a comprehensive understanding of the Group's environmental, social and corporate governance performance. For details of reference to the above reporting standards, please refer to the "Index Table of ESG Reporting Guide of the Stock Exchange" in this Report. In accordance with the ESG Reporting Guide, this Report adheres to the following reporting principles:

Reporting Principles	Application of Reporting Principles
Materiality	The Group analyses the material ESG issues of the Group through materiality assessment, and focuses on the identified material issues during the preparation of this Report. The materiality of the different issues has been reviewed and confirmed by the Board and the management. For further details, please refer to the sections "Stakeholder Engagement" and "Materiality Assessment".
Quantitative	The criteria, methods, assumptions and sources of major conversion factors used in calculating the relevant data of KPIs have been noted in the notes. This Report is the first ESG report of the Group and therefore there is no comprehensive comparative data available.
Balance	This Report is reported in an objective and impartial manner to ensure that the information disclosed truthfully reflects the overall performance of the Group in ESG aspects.
Consistency	The Group ensures that consistent reporting methods are used to allow meaningful comparisons of KPIs in the future. If there are any changes in the scope of disclosure and calculation methods that may affect the comparison with previous reports, the Group will explain the corresponding data and content.

Reporting Scope

The reporting scope of this Report is consistent with the annual report and mainly covers the Group's operations in Hong Kong. Its subsidiaries include Wing Lee Group (Holdings) Limited, Wing Lee Construction Limited, Wing Lee Development (International) Limited, Tai Shan Engineering & Construction Co., Limited, Wing Lee New Energy Limited, Sum Hing Trading Limited and Kaiser Construction Engineering Company Limited. The Group will continue to assess the ESG impacts of its operations and expand the scope of disclosure where appropriate.

Contact Us

The Group welcomes stakeholders to provide valuable comments on this Report or the Group's sustainability performance through the following ways.

Address: Room A6, 16th Floor, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, Hong Kong
Tel: +852 2416 1222

STAKEHOLDER ENGAGEMENT

The Group believes that the active engagement of stakeholders is an integral part of the Group's sustainability management. We maintain a close relationship with our stakeholders and have sought to understand their suggestions and views through various communication methods, so as to determine the long-term development direction for us and our communities. The Group has categorised its key stakeholders, our internal stakeholders comprise management and other employees, while external stakeholders include customers, suppliers and subcontractors, shareholders and investors, as well as the community at large. The Group's communication channels with key stakeholders are as follows:

Stakeholders	Communication Channels
Management	• Performance assessment • Meetings and emails
Other employees	• Trainings • Performance assessment • Meetings and emails
Client	• Company's website • Telephone calls and emails
Suppliers and subcontractors	• On-site visit • Supplier management meetings • Telephone calls and emails
Shareholders and investors	• Annual general meetings and other general meetings • Announcements and circulars
Community	• Company's website • ESG reports • Community activities • Media channels

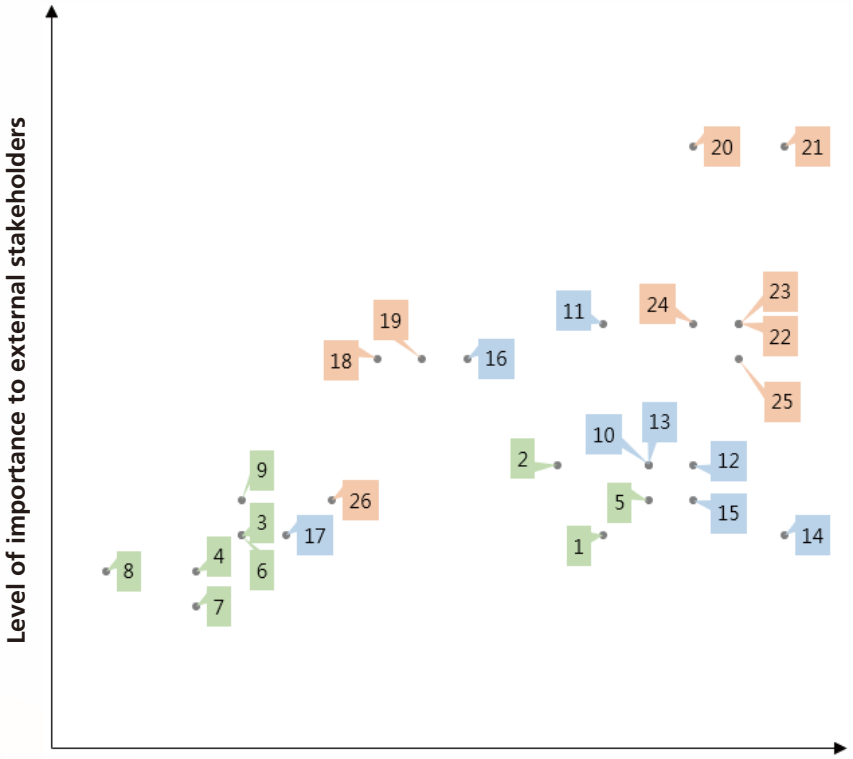
MATERIALITY ASSESSMENT

The Group conducts regular materiality assessments to systematically review material ESG issues related to its business. The assessment results will serve as the core basis for formulating the Group's ESG strategy to ensure that the Group's operations meet the expectations of stakeholders and the Group's commitment to sustainable development. The assessment was conducted in three steps: identification, prioritisation and validation.

Identification	With reference to reporting standards, industry characteristics and actual business conditions, we have constructed an issue framework covering three major dimensions: environmental, social and operational, and identified a total of 26 related issues.
Prioritisation	In order to gain a deeper understanding of stakeholders' expectations and opinions, we have invited stakeholders to assess the importance of each issue through questionnaire. We integrate and analyse the scoring results of internal and external stakeholders using an equally weighted approach to establish a materiality matrix and prioritise issues accordingly.
Validation	The Board and senior management confirm and verify the materiality matrix disclosed in this Report to ensure that the assessment results are consistent with the sustainable development direction of the Group.

The following is the materiality matrix for 2025:

Materiality matrix of ESG issues



Environmental issues		Social issues		Operational issues	
1	Greenhouse gas ("**GHG**") emissions	10	Public health crisis	18	Supply chain management
2	Air emissions	11	Employee rights and welfare	19	Labour standards in supply chain
3	Energy consumption	12	Inclusion, equal opportunities and anti-discrimination	20	Customer satisfaction
4	Water consumption	13	Talent attraction and retention	21	Customers' privacy
5	Hazardous waste/sewage	14	Occupational health and safety	22	Quality and safety of engineering services
6	Non-hazardous waste/sewage	15	Employee training and development	23	Intellectual property
7	Paper consumption	16	Preventive measures for child and forced labour	24	Economic performance
8	Climate change	17	Community investment and engagement	25	Operational compliance
9	Compliance with environmental laws and regulations			26	Anti-corruption

A. ENVIRONMENTAL

The Group is committed to reducing the environmental hazards caused by its operations. During the Year, the Group strictly complied with laws and regulations relating to air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and was not aware of any material violations of laws and regulations that had a significant impact on the Group. These laws and regulations include, but are not limited to:

- The *Air Pollution Control Ordinance* (Cap. 311 of the Laws of Hong Kong);
- The *Noise Control Ordinance* (Cap. 400 of the Laws of Hong Kong);
- The *Waste Disposal Ordinance* (Cap. 354 of the Laws of Hong Kong); and
- The *Water Pollution Control Ordinance* (Cap. 358 of the Laws of Hong Kong).

The Group's environmental management system has obtained ISO 14001:2015 certification. According to the recognised policies and procedures, we strengthen the management of site workers and subcontractors in our engineering works and operations, striving to reduce the potential impact on the environment during construction, and promoting sustainable development. Our environmental protection measures include but are not limited to:

- ensuring our compliance with regulatory requirements, customers' specifications and industry practices in relation to environmental protection;
- evaluating the environmental impact of our business activities, products and services and the associated environmental risks, and devising targets and plans for managing such risks;
- effectively conserving the use of resources and minimising waste generation;
- ensuring our subcontractors and their workers comply with our environmental protection policies; and
- providing trainings to our employees in relation to our environmental management system.

When acting as the main contractor for civil engineering projects, the Group will formulate an environmental management plan to clearly set out our functions and responsibilities in environmental management, and set up an environmental management team for each project to monitor the effectiveness of the environmental management plan and related mitigation measures to reduce the impact of operational activities on the environment. We will also regularly review and update the environmental management plan as necessary to comply with relevant environmental regulations. As a contractor, we also actively participate in on-site environmental orientation training organised by the main contractor of the construction project to enhance knowledge of environmental laws and related mitigation measures, and conduct business activities in a sustainable manner.

In order to reduce the impact of operations on the environment and deepen sustainable development practices, the Group has set environmental targets for GHG emissions, non-hazardous waste, energy consumption and water consumption. When setting these targets, we consider the historical level of relevant KPIs and the future direction of business expansion to balance business growth with environmental protection and ensure the feasibility of the targets. We will review these targets annually to ensure their effectiveness and applicability.

A1. Emissions

Air Emissions

Our ordinary operations involve extensive construction activities, including demolition, drilling or excavation of rocks near the public or man-made hard materials, thus inevitably generating dust and air emissions, causing pollution to the environment surrounding the construction site. In addition, the fuel consumption of the Group's construction machinery, equipment, private cars and trucks also leads to the emissions of nitrogen oxides ("**NO_x**"), sulphur oxides ("**SO_x**") and particulate matter ("**PM**"). In view of different emission sources, the Group has taken the following measures to strive to balance business operation with environmental protection.

Dust Emission Management during Construction

- providing silent, high-pressure electric sprayers at construction sites, so that workers can activate automatic sprinklers after adjusting the angle of sprayers during excavation and ground-breaking activities to reduce the impact of dust dispersion on the environment.

Management of Fuel Consumption for Construction Machinery, Equipment, and Vehicles

- conducting regular maintenance and inspection of vehicles owned by the Group to ensure their normal operation and avoid additional fuel consumption due to decreased fuel efficiency;
- encouraging employees to plan their driving routes in advance to reduce unnecessary fuel consumption caused by extended driving time;
- encouraging employees to use public transportation; and
- allocating more resources for environment-friendly vehicles and clean energy, including replacing traditional vehicles and equipment with electric vehicles and new energy equipment, to reduce fuel consumption and dependence on fossil fuels.

The table below sets out the air emission data[1] from the Group's vehicle fuel consumption:

	Unit	2025
NO_x	kg	140.9
SO_x	kg	0.6
PM	kg	12.5

Note:

1. The calculation for air emission data is based on the *How to prepare an ESG Report — Appendix 2: Reporting Guidance for Environmental KPIs* issued by the Stock Exchange. Due to lacking applicable emission factors, this data does not include dust emissions from construction activities or air emissions generated by the operation of off-road construction machinery and equipment.

GHG Emissions

The direct GHG emissions (Scope 1) of the Group are mainly generated from petrol and diesel consumption by private cars and trucks, as well as diesel consumption by construction machinery and equipment. Energy indirect GHG emissions (Scope 2) stem from electricity consumption during daily operations. The Group has established a target to maintain or reduce the total GHG emissions intensity (Scope 1 & 2) within five years, using 2025 as the baseline year. Specific emission reduction measures are detailed in the "Air Emissions" and "Energy Consumption" sections.

The table below sets out the GHG emissions data[2] of the Group:

	Unit	2025
Scope 1 GHG emissions • Petrol and diesel consumption by private cars and trucks • Diesel consumption by construction machinery and equipment	tCO_2e	1,244.9
Scope 2 GHG emissions • Electricity consumption during daily operations	tCO_2e	68.7
Total GHG emissions (Scope 1 & 2)	**tCO_2e**	**1,313.6**
Total GHG emissions intensity (Scope 1 & 2)	**tCO_2e/HKD million revenue[3]**	**1.8**

Note(s):

2. The calculation of GHG emissions data is based on, but not limited to, the following references: the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* published by the World Resources Institute and the World Business Council for Sustainable Development, the global warming potential values from the *Sixth Assessment Report* issued by the Intergovernmental Panel on Climate Change, *How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs* published by the Stock Exchange, and the ESG Data Hub released by CLP Holdings Limited. In light of upcoming regulatory requirements and the complexity involved in calculating Scope 3 GHG emissions, the Group is currently enhancing its data collection and calculation methodologies. The relevant data will be disclosed once finalised and ready for reporting.

3. In 2025, the Group's revenue reached around HK$716,639,000, which is used to calculate intensity indicators.

Waste Management

We strictly comply with Hong Kong's *Waste Disposal Ordinance* and the guidelines issued by the Environmental Protection Department ("**EPD**") in the classification and treatment of waste generated from our business operations, maintaining high-standard waste reduction measures. Furthermore, we actively educate our employees on the importance of waste reduction at source to enhance their environmental awareness.

Hazardous Waste Management

Due to the nature of the Group's business, no hazardous waste is directly generated during its operations. Construction site-related hazardous materials such as batteries and waste vehicle oils are handled by qualified third-party contractors during routine maintenance and inspections. Accordingly, the Group currently implements appropriate environmental measures only for these specified waste streams. However, as data on indirectly generated hazardous waste is not systematically tracked, disclosure of such information is presently unavailable.

Non-Hazardous Waste Management

The Group's routine operations primarily generate non-hazardous waste, consisting of construction waste (including both inert and non-inert materials) and office paper waste. The Group has established a target to maintain or reduce the total non-hazardous waste generation intensity within five years, using 2025 as the baseline year. To minimise the environmental impact of non-hazardous waste, the Group has implemented the *Engineering Supervision and Management System* which enforces the following waste management measures:

- conducting strict review of materials required for project budget to avoid unnecessary waste;
- educating all employees on sorting reusable and recyclable materials for collection and recycling by contractors and the Group;
- centralised collection of construction waste for disposal in landfills and recycling by approved service providers;
- strictly complying with EPD's "Construction Waste Disposal Charging Scheme" to responsibly dispose of waste from construction projects and implement waste control and recycling measures to minimise unnecessary waste;
- encouraging employees to adopt paper-saving practices in daily document handling, such as using double-sided printing and recycling scrap paper; and
- monitoring and reviewing ordinary business procedures within our Group, and replacing unnecessary paper documents with electronic ones to reduce paper consumption.

The table below sets out the non-hazardous waste data of the Group:

	Unit	**2025**
Construction waste	tonne	10,516.8
Office paper	tonne	2.5
Total amount of non-hazardous waste generated	**tonne**	**10,519.3**
Total non-hazardous waste generation intensity	**tonne/HKD million revenue**	**14.7**

Wastewater Discharge

All wastewater generated during the Group's operations is discharged into the public sewerage system, and water consumption is considered equivalent to wastewater discharge volume. Water consumption data and corresponding water conservation measures will be detailed in the "Water Consumption" section.

A2. Use of Resources

The Group implements effective management to the usage of resources, including fuel, electricity, and water, in accordance with its environmental management system, striving to enhance effective use of resources and minimise unnecessary consumption. Due to the nature of our operations, the Group does not engage in the use of packaging materials.

Energy Consumption

The Group's direct energy consumption primarily stems from petrol and diesel consumption by private cars and trucks, as well as diesel consumption by construction machinery and equipment. Indirect energy consumption mainly derives from electricity consumption in daily operations. Beyond these energy sources, the Group's operations do not involve the use of other fuels such as town gas, natural gas, or liquefied petroleum gas. The Group has established a target to maintain or reduce total energy consumption intensity within five years, using 2025 as the baseline year. In addition to the energy-saving measures outlined in the "Air Emissions" section, the Group has implemented the following management measures specifically targeting electricity consumption:

- displaying prominent signage in office to remind staff to power down idle electrical appliances (e.g., air conditioning and lighting systems);
- implementing standardised temperature control settings for office air-conditioning systems; and
- procuring new appliances and lighting fixtures with higher energy efficiency ratings to enhance overall energy performance.

The table below sets out the energy consumption data[4] of the Group:

	Unit	2025
Direct energy consumption • Petrol and diesel consumption by private cars and trucks • Diesel consumption by construction machinery and equipment	MWh	5,055.6
Indirect energy consumption • Electricity consumption during daily operations	MWh	180.7
Total energy consumption	**MWh**	**5,236.3**
Total energy consumption intensity	**MWh/HKD million revenue**	**7.3**

Note(s):

4. The unit conversion for direct energy consumption data follows the *Energy Statistics Manual* published by the International Energy Agency.

Water Consumption

The consumption of water resources has always been an environmental issue of global concern, and conserving water is a crucial goal for the Group. Our water consumption is mainly used for construction projects. Given the geographic locations of the Group's operations, we have not encountered any issues in sourcing water that is fit for purpose. The Group has established a target to maintain or reduce total water consumption intensity within five years, using 2025 as the baseline year. To minimise water resource consumption, the Group has implemented the following management measures:

- strengthening routine maintenance and management of water facilities, with designated personnel required to immediately engage professional technicians upon identifying any equipment malfunctions; and
- proactively promoting the importance of water conservation among employees, reinforcing principles of water conservation and efficient use.

The table below sets out the water consumption data of the Group[5]:

	Unit	2025
Total water consumption	**m^3**	**2,623.0**
Total water consumption intensity	**m^3/HKD million revenue**	**3.7**

Note(s):

5. Water expenses for office spaces are borne by the facility management provider. Consequently, the reported data exclusively reflects water consumption at construction sites and warehouse facilities.

A3. The Environment and Natural Resources

The Group recognises the environmental and natural resource impacts of its operations and is committed to integrating environmental protection principles into daily business activities to ensure compliance with relevant regulations.

Noise Management

The Group acknowledges that construction activities may generate noise pollution affecting nearby communities and the environment. To comply with Hong Kong's *Noise Control Ordinance*, all noise-sensitive activities are conducted within the permitted hours specified by EPD, with regular noise level assessments and monitoring to ensure it is controlled below the level stipulated by relevant regulations. For construction activities that are to be carried out during the restricted hours and for percussive piling during the daytime, not being a general holiday, the Group ensures prior approval of construction noise permits from EPD. The Group has implemented the following noise mitigation measures:

- deploying quieter electric-powered machinery and equipment, ensuring machinery and equipment are certified under the standards of Hong Kong Electrical and Mechanical Services Department and the EPD;
- using noise reduction technologies and sound barriers at construction sites actively to minimise noise propagation;
- optimising process and conduct worker training to adopt best practices, such as avoiding machinery idling during high-noise operations; and
- enhancing community engagement to further improve noise control measures.

A4. Climate Change

The impacts of global climate change on ecosystems and industries worldwide are becoming increasingly evident. The Group also fully recognises that climate change may affect its business operations in various aspects. Accordingly, the senior management of the Group assumes primary responsibility for identifying and assessing climate-related risks to evaluate the potential impact of such risks on the Group, and implement necessary mitigation under the supervision of the Board. These risks include physical risks (such as potential financial losses and non-financial damages due to extreme weather) and transition risks (such as potential adverse effects from transitioning to a low-carbon economy).

Physical Risks

As an engineering contractor operating in Hong Kong, our business inherently faces risks associated with the increasing frequency and severity of extreme weather. Among all climate change impacts affecting Hong Kong, heavy rain, flood, typhoon, heatwave, and extreme temperature may adversely disrupt our operation activities. For instance, frequent and intense heavy rains may flood low-lying construction sites, delaying project timelines and extending work durations. Additionally, as most construction sites are in open-air and lack air-conditioning, heatwaves could lead to heatstroke, heat exhaustion, or other health issues among workers, which not only reduces employee productivity but may also cause project delays, ultimately disrupting business operations. With rising average temperatures and an increase in extreme heat days, our employees and employees of our subcontractor will face heightened health risks.

To minimise the impact of heavy rain and typhoon, the Group has established the *Code of Practice in Times of Typhoons and Rainstorms*, to clearly guide our staff on the work arrangements and emergency responses during severe weather. For example, we make prompt communication with on-site workers via instant messaging platforms to coordinate schedules and ensure safety. In addition, we implemented effective heat stress prevention measures, such as providing electric fans, portable cooling fans, shaded rest areas, and adequate hydration to minimise the health risk for staff of the Group and our subcontractors and improve their working environment. In extreme cases, we will adjust work shifts to avoid high-temperature exposure of our employees.

Transition Risks

In addition to the above physical risks, the Group also faces risks arising from tightening regulations brought by climate change. In order to achieve carbon neutrality by 2050, the Hong Kong Government announced the *Hong Kong's Climate Action Plan 2050* in 2021. This plan outlines four major carbon reduction strategies, including (i) increasing the share of renewable energy in the fuel mix for electricity generation, and ceasing the use of coal for daily electricity generation in 2035 or earlier; (ii) reducing the overall electricity consumption of buildings through promoting green buildings, improving buildings' energy efficiency and promoting a low-carbon lifestyle; (iii) promoting the electrification of vehicles and ferries, development of new-energy transport and measures to improve traffic management, and ceasing the new registration of fuel-propelled and hybrid private cars in 2035 or earlier; and (iv) further promoting waste reduction and recycling, and developing adequate waste-to-energy facilities in 2035 or earlier.

In order to transition to a low-carbon economy and respond to the carbon reduction strategies of the Government, the Group began purchasing a number of electric private vehicles to replace petrol-powered ones, and commenced the transition to replace traditional equipment with new energy equipment since 2023, thus reducing our dependence on fossil fuels. We intend to further purchase more electric private vehicles and new energy equipment in the future to reduce carbon emissions from fossil fuel combustion. However, these measures may increase our operational costs and affect our financial performance. On the other hand, the market demand on low-carbon transition and power efficient equipment may increase, thereby increasing the technology innovation and R&D costs.

Starting from the next fiscal year, the Stock Exchange will implement more stringent climate-related disclosure requirements in accordance with the standards set by the International Sustainability Standards Board ("**ISSB**"), which may result in the increase in compliance and operational costs. If the Group fails to meet compliance requirements and does not actively address climate-related risks or reduce carbon emissions, it may also face reputational risks.

To mitigate the impact of such policies, we will regularly monitor existing and emerging climate-related trends and regulations, strengthen communication with regulatory authorities, promptly adjust our risk management strategies, and enhance transparency in climate-related disclosures. These efforts will help maintain a positive corporate image and avoid reputational issues arising from slow responses.

Opportunities

Although transitioning to a low-carbon economy may present the above-mentioned potential risks, it also offers potential opportunities. The Group intends to invest more resources in environmentally-friendly equipment and clean energy. By demonstrating our commitment to green practices, we expect to enhance our brand image and attract customers and investors who value environmental awareness.

In terms of policy environment, the Hong Kong Government has set targets in the *Hong Kong's Climate Action Plan 2050*, planning to increase the proportion of renewable energy in the fuel mix for electricity generation to 7.5% to 10% by 2035 and reach 15% by 2050. To achieve these targets, the Government has introduced multiple incentive measures, including the Feed-in Tariff Scheme, Renewable Energy Certificates Scheme, and funding schemes, to actively promote the development of the renewable energy market. Of which, solar photovoltaic system, with its low maintenance requirements, long service life, high scalability and flexibility, is regarded as a mature renewable energy technology with significant development potential. With strong policy support, we anticipate a trend of rapid growth in market demand for solar photovoltaic systems and related services. The Group's solar photovoltaic system business will undoubtedly benefit from this market trend.

In addition, the Group is seizing opportunities in the construction industry's digitalisation, smart transformation and low-carbon transition by collaborating with industry leaders such as SANY Group and CATL to establish the Zero Carbon Smart Alliance, jointly constructed the innovative "Zero-Carbon Smart Space" platform. Guided by the national development of New Quality Productivity and united by the shared mission of Hong Kong Green Homeland, the alliance deeply integrates core cutting-edge technologies including but not limited to green transportation, green building, smart photovoltaic and energy storage systems, smart city, and AI smart solutions across all works and services of the entire industrial chain. Through partnerships with outstanding enterprises from diverse industries, we fully leverage the advantages from all parties in technology, resources, and markets to achieve resource sharing and complementary advantages, jointly overcome technical challenges, accelerating the transformation and application of innovations, to provide material support for the implementation and construction of Hong Kong's new energy industrial chain. This initiative will generate sustainable business opportunities for us, foster the Group's long-term stable growth, and ensure robust financial development.

Zero Carbon Smart Alliance

Zero Carbon Smart Space "Solar, Storage, Charging, Swapping and Recycling" Integrated Solution

Solar	Specialising in solar photovoltaic system design and application, we develop integrated solutions for roofs and facades tailored to the high-density building characteristics of Hong Kong. We provide comprehensive lifecycle services including planning, installation and maintenance, with the goal of assisting in increasing the proportion of renewable energy generation in Hong Kong to 7% by 2030.
Storage	We introduce energy storage technology, combined with the photovoltaic development layout planning, to increase the efficiency and predictability of renewable energy usage. We also balance the peak and valley electricity usage to alleviate the load of the power grid, replace the diesel power generation mode at the construction sites, and meet the instantaneous high current demand of equipment. We install the latest photovoltaic panel products on the roof of the space, combined with advanced energy storage cabinets and external power grid, forming an efficient and intelligent photovoltaic-storage-direct-flexible energy supply system. The system enables real-time monitoring of power grid and solar power supply, while autonomously storing and releasing electricity based on preset strategies to achieve flexible energy regulation.
Charging	In support of the Government's "Green Transportation" initiative, we plan to deploy over 500 fast-charging piles in Hong Kong by 2030, facilitating the electrification transition of construction machinery and heavy-duty commercial vehicles.
Swapping	We aim to deploy over 20 smart battery-swapping stations in Hong Kong by 2027, offering one-stop services including the battery maintenance and 2-minute quick battery swapping to ensure worry-free operation for all electric vehicles in Hong Kong. The battery-swapping stations at the space are equipped with cutting-edge technology, enabling an automated battery swapping and unmanned operation model, which significantly enhances the efficiency and convenience of battery-swapping. These stations are compatible with various types of construction vehicles and are equipped with a data visualisation-based operational monitoring system. This system provides real-time display and analysis of charging/swapping data and fleet management information, integrating monitoring, decision-making and control functions, significantly improving the operating efficiency of the battery-swapping stations.

Intelligent	In response to the Government's "Construction Industry 2.0" initiative and in alignment with the functional requirements of the "4S (Smart, Site, Safety and System) System", we invest in developing an intelligent corporate Smart Site Safety System for construction sites. This system incorporates construction equipment management capabilities, enabling one-click monitoring of personnel, machinery and vehicle movements while connecting to the zero-carbon smart city strategic network. This system integrates advanced AI and IoT technologies to provide real-time monitoring of frontline employees and equipment operations. Through its intelligent early-warning mechanism, this system can accurately identify potential risks and issue early warning signals in a timely manner, enabling managers to maintain comprehensive oversight of the safety status and resource utilisation of all projects under construction, continuously improve project safety, improve management efficiency, and thereby significantly enhance the Company's core competitiveness.
Parking	We establish smart multi-level parking zones to address Hong Kong's challenges of scarce and expensive parking, match automatic fast-charging services, and strengthen transportation facilities and residents' travel with one click.
Battery Recycling	We deploy a battery-recycling station network in Hong Kong to achieve a recovery rate of over 99.3% for core metal materials, establishing a closed-loop battery material supply chain.

Zero Carbon Smart Space

First Battery-Swapping Station for Commercial Vehicle in Hong Kong & Industry-Leading Electric Construction Machinery

B. SOCIAL

B1. Employment

The Group considers its employees as one of its most important assets and places great emphasis on their retention, needs and development. The Group has established the *Human Resources and Payroll Management System* to clarify its personnel management policies and safeguard employees' rights, ensuring that the human resources and administration department operates in accordance with established guidelines. During the Year, the Group strictly complied with applicable laws and regulations concerning compensation and termination, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The Group was not aware of any material violations of such laws and regulations that had a significant impact on the Group. These laws and regulations include, but are not limited to:

- The *Employment Ordinance* (Cap. 57 of the Laws of Hong Kong);
- The *Mandatory Provident Fund Schemes Ordinance* (Cap. 485 of the Laws of Hong Kong); and
- The *Minimum Wage Ordinance* (Cap. 608 of the Laws of Hong Kong).

We are committed to upholding the principles of equal opportunity, diversity and anti-discrimination in the workplace. Our employment-related processes are based on a diverse range of parameters, including but not limited to gender, age, cultural and educational background, nationality, ethnicity, industry experience, skills and knowledge. Employers must strictly adhere to the aforementioned principles, policies and annual human resources budget when implementing the recruitment process to ensure efficiency and quality. The recruitment process includes steps such as approval of hiring requests, interviews and background checks, all designed to ensure talent quality and meet workforce demands. Furthermore, the Group actively encourages employees to participate in talent recruitment and development initiatives. By implementing the *Employee Referral Reward Programme*, we aim to attract top talent, expand our talent pool, and recognise and reward employees for their contributions. This initiative fosters a sense of belonging and engagement among employees while strengthening our team cohesion.

As of 31 March 2025, the Group had a total of 411 employees, all based in Hong Kong. The following table sets out the number of employees by category:

	As of 31 March 2025
By gender	
Male	334
Female	77
By employment type	
Full-time	408
Part-time	3
By age group	
Below 30	45
30–50	217
Above 50	149
By employee category	
Directors	6
Senior management	15
Middle management	25
Employees	365

The Group is also committed to offering competitive compensation packages to retain outstanding employees. Salary adjustments, bonuses, and promotion opportunities will be determined based on business conditions, profitability and individual performance evaluations. Diligent and outstanding employees will be eligible for promotions and salary increases. To standardise employee leave management, safeguard employee benefits, and maintain good work order, the Group has established the *Employee Leave and Benefits Management Policy*, which clarifies the leave application and approval procedures, as well as the entitlements for various types of leave. In addition to regular paid annual leave and sick leave, employees of the Group are also entitled to other leave arrangements such as marriage leave, bereavement leave, maternity leave and paternity leave, allowing them to relax and recharge.

If it becomes necessary to terminate an employee, we will strictly follow the established procedures for approval and off-boarding, including work handover and the return of company items. On the last working day, the personnel from the human resources and administration department will be responsible for explaining the calculation method of the final salary to the resigned or dismissed employees, and issuing cheques to protect the interests of both employees and the Group.

The following table sets out the employee turnover rate data of the Group[6]:

	2025
Total	55.5%
By gender	
Male	61.4%
Female	29.9%
By age group	
Below 30	55.6%
30–50	44.7%
Above 50	71.1%
By region	
Hong Kong	55.5%

Note(s):

6. Employee turnover rate = Number of resignations in the category during the year ÷ Number of employees in the category at the end of the year.

B2. Health and Safety

The Group places high importance on occupational health and work safety and has in place an occupational health and safety management system which is certified to be in compliance with ISO 45001:2018 standard in order to promote a safe and healthy working environment. During the Year, the Group strictly complied with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards. The Group was not aware of any material violations of such laws and regulations that had a significant impact on the Group. These laws and regulations include, but are not limited to:

- The *Employees' Compensation Ordinance* (Cap. 282 of the Laws of Hong Kong); and
- The *Occupational Safety and Health Ordinance* (Cap. 509 of the Laws of Hong Kong).

The Group has established the *Engineering Supervision and Management System* to standardise safety management procedures in engineering operations. Additionally, we develop a dedicated *Safety and Health Management Plan* for each project, outlining personnel responsibilities, common safety and health hazards and safety measures. The following sets out the Group's workplace safety measures, including but not limited to:

- organising site safety induction briefing sessions for workers on the first day of work and providing safety trainings for the workers on site, including subcontractors' employees. The training topics cover safety procedures for civil and electrical cable engineering, emergency response, duties and procedures for reporting hazards and accidents, the use of personal protective equipment, emergency measures and good housekeeping;

- providing appropriate personal protective equipment, such as full-body safety harnesses, helmets, and safety boots, to our employees and subcontractors based on the nature of their work. We also require all employees to wear industrial dust masks during construction activities to effectively filter air particulates, including dust and smoke, so as to prevent employees from directly inhaling relevant exhaust and dust and protect their health;

- establishing safety bulletins and detailed records of accident statistics, holding regular internal and external safety meetings, and documenting safety measures and issues identified for each project by preparing safety reports and training records, so as to maintain effective promotion and communication of safety procedures;

- conducting risk assessments to identify potential hazards and accidents and providing suggestion on proper preventive measures prior to commencement of works;

- safety officers and/or safety supervisors shall carry out site inspections on a daily basis to ensure strict compliance with the occupational health and safety laws, rules and regulations. We may also engage external safety consultants to assist with our safety supervision on a case-by-case basis;

- safety officer shall (i) advise the senior management team on the legal requirements in respect of occupational health and safety matters; (ii) anticipate possible workplace hazards and recommend relevant prevention procedures; (iii) provide statistics and analysis on workplace accidents and make recommendations for improvement; (iv) report and investigate works accidents, determine their causes and recommend measures for preventing recurrence; and (v) arrange safety trainings for all employees;

- project management team shall be responsible for supervising the implementation of occupational health and safety policies, and ensure that work safety measures are incorporated into proposed construction methods from the planning stage and comply with all applicable occupational health and safety standards, and are continuously adhered to throughout project implementation;

- site foremen shall cooperate with the safety officer to establish on-site safety practices and ensure that all new comers are aware of their obligations to comply with such practices; and

- conducting regular safety audits and reviews of the above policies and measures in accordance with the *Factories and Industrial Undertakings (Safety Management) Regulation* to ensure the effectiveness of safety measures.

The project management team regularly provides guidance and training to workers and subcontractors on correct and safe working practices to ensure they understand and comply with our safety guidelines and measures. We may impose fines on or remove the subcontractors who have repeatedly breached the internal safety procedures from our internal approved list of subcontractors. We also hold regular meetings with our subcontractors to discuss on the implementation of safety measures and follow up with any safety issues identified during the course of project implementation.

To comprehensively enhance construction safety management, the Group upholds the philosophy of "leading engineering with wisdom and enabling management with technology" and successfully developed the 4S Smart Site Safety System during the Year. The system collects real-time data and transmits it to a centralised management platform, enabling project teams to comprehensively grasp the safety conditions of the entire construction site. Once potential hazards are detected, the system immediately sends alerts to on-site safety management personnel and workers, facilitating comprehensive digital management of smart sites in terms of quality, personnel, safety, environment and other aspects.

4S Smart Site Safety System

The Group also has standard procedures in place for handling and recording work accidents. Below are the general procedures for handling and recording work accidents:

- Upon occurrence of an accident, we require the injured worker or person who witnessed the accident to report to our safety officer or safety supervisor (as the case may be) about the details of the accident on a timely basis, including the venue, time, cause of injury, etc.

- The safety officer or safety supervisor (as the case may be) will prepare a notice of accident and send the notice of accident to the site agent and our administrative staff detailing the venue, date and time of the accident, name of the injured, details of the accident and injury and follow up action performed by the safety officer after the occurrence of the accident. Our administrative staff maintains a master file for recording all details of injury cases.

- Our administrative staff will report the work injury case on time to the main contractor and the Labour Department in accordance with the relevant requirements (if applicable).

The Group did not record any work-related fatalities in the past three years (including the Year). For 2025, we recorded 1 work-related accident involving employees, with 295 working days lost due to work injuries. Regarding the projects for which the Group has been appointed as the main contractor, we recorded 3 work-related accidents involving employees of subcontractors. In response to work-related injuries, we have implemented the following measures:

- In the event of a work-related injury, the management shall hold a briefing with the relevant on-site personnel to understand the cause of the accident and any safety-related violations, and remind the on-site workers (including employees and subcontractors) to raise their awareness of occupational safety and health;

- A summary of the work-related injury is prepared to record the work-related injury that has occurred, and to be reviewed by the management on a regular basis;

- The management will review and assess the safety policies on a monthly basis; and

- Prior to commencing construction work, insurance coverage of the main contractor is evaluated by the management to ensure that there is adequate insurance coverage for the employees.

B3. Development and Training

Employee development is crucial to the continuous growth of the Group. Therefore, we provide employees with adequate and effective training to enhance their professional knowledge and technical skills. Training programmes and related management procedures are set out in the Group's *Human Resources and Payroll Management System*.

We offer safety and health orientation training to every new worker. This orientation training focuses on site safety standards, emergency guidelines and environmental requirements for pollutant treatment. In addition, we also regularly provide specific safety training courses to workers to enhance their awareness of occupational safety. At the same time, the Group encourages and sponsors employees to undertake training courses to obtain qualification certificates related to their career development.

For 2025, 100% of the Group's employees received training[7]. The following table sets out the Group's training data:

	2025	
	Proportion of trained employees[8]	**Average training hours[9]**
Total	N/A	1.0
By gender		
Male	81.3%	1.0
Female	18.7%	1.0
By employee category		
Directors	1.5%	1.0
Senior management	3.6%	1.0
Middle management	6.1%	1.0
Employees	88.8%	1.0

Note(s):

7. Total percentage of trained employees = total number of employees trained during the year (excluding resigned employees) ÷ total number of employees at the end of the year × 100%.

8. Proportion of trained employees = number of employees trained in the category during the year (excluding resigned employees) ÷ total number of employees trained during the year × 100%.

9. Average training hours = training hours for employees in the category during the year (excluding resigned employees) ÷ number of employees in the category at the end of the year.

B4. Labour Standards

The Group recognises that the employment relationship shall be based on mutual equality, respect, and tolerance. We maintain a zero-tolerance policy towards child labour, and strictly prohibit the employment of illegal immigrants and forced labour at our offices and construction sites. In accordance with the *Human Resources and Payroll Management System*, we strictly prevent illegal acts during the recruitment process. The human resources and administration department verifies the identification documents of job applicants to ensure they meet the legal working age and qualifications. If any discrepancies such as inconsistent age and identity are found, the Group will immediately terminate the employment relationship with the relevant employees.

The Group also prohibits any form of verbal or physical abuse as punishment, management methods and disciplinary actions, physical punishment, or any actions that may constitute oppression or sexual harassment for any reason.

During the Year, the Group strictly complied with laws and regulations relating to preventing child and forced labour, and was not aware of any material violations of laws and regulations that had a significant impact on the Group. Such laws and regulations include, but are not limited to:

- The *Employment Ordinance* (Cap. 57 of the Laws of Hong Kong).

B5. Supply Chain Management

Suppliers and subcontractors are an integral part of the Group's operations and play a crucial role in providing high-quality services to our customers. Therefore, we place great importance on the selection and monitoring of suppliers and subcontractors. The Group's supplier categories mainly include (i) subcontractors; (ii) suppliers of materials such as steel, uPVC pipes and solar PV panels; and (iii) suppliers of other miscellaneous services such as machinery rental services, testing services and technical consultancy services. For 2025, the Group had a total of 234 suppliers and implemented relevant engagement practices for all suppliers. The following table sets out the Group's supplier data:

	2025
By region	
Hong Kong	211
Mainland China	20
Overseas	3

To effectively manage suppliers and subcontractors, the Group has established the *Procurement to Payment Management System and Engineering Supervision and Management System*. When selecting suppliers and subcontractors, various departments, including but not limited to procurement, operations and construction departments, will assess them in terms of backgrounds, business scopes, reputation, services or product quality, and price, and request relevant qualification certificates from suppliers for inspection, ensuring that their services, materials and products meet the Group's requirements and standards. Suppliers who have passed the above review and inspection are included in our list of qualified suppliers. The Group will conduct regular evaluations and inspections of the suppliers in the list every year to evaluate whether they still meet our needs in terms of pricing, service and supply quality, efficiency, reliability, on-time completion or delivery ability and credit rating. The results of the evaluation by the procurement department will be submitted to the management for approval. We will no longer purchase any services or products from suppliers or subcontractors with unqualified results.

The Group is committed to building a sustainable supply chain and monitoring environmental and social risks in the supply chain. In addition to the above supplier assessment criteria, the Group will also give priority to suppliers that align with our environmental protection and social responsibility philosophy when selecting suppliers, and continuously monitor and assess their commitment to environmental protection and social responsibility to ensure they comply with environmental protection, safety, labour-related regulations and standards. To reduce safety risks from subcontractors, we have strictly required subcontractors to comply with the safety standards and requirements set out in the *Safety and Health Management Plan*. For corruption risks in the procurement process, the Group has issued the *Code of Conduct for Integrity and Honesty* to employees, clearly stipulating that all employees must not provide or accept bribes or other improper benefits to ensure all business transactions maintain high ethical standards. The Group also encourages suppliers and subcontractors to actively promote corporate social responsibility awareness and enhance environmental, social and governance performance to further reduce environmental and social risks. We will regularly review the above supply chain management policies and measures to ensure their effectiveness.

B6. Product Responsibility

During the Year, the Group strictly complied with laws and regulations relating to the health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress, and was not aware of any material violations of laws and regulations that had a significant impact on the Group. Such laws and regulations include, but are not limited to:

- The *Buildings Ordinance* (Cap. 123 of the Laws of Hong Kong); and
- The *Personal Data (Privacy) Ordinance* (Cap. 486 of the Laws of Hong Kong).

Quality and Safety of Engineering Services

The Group has always adhered to high-quality standards for all construction projects and is committed to providing customers with high-quality and reliable services. To enhance its information technology capability and increase its efficiency in project implementation, the Group has proactively introduced an enterprise resource planning system. The system includes an integrated trading system, inventory management system, project management system, human resources management system, etc., aiming to plan and allocate human resources more effectively, thereby significantly enhancing overall operational efficiency and supporting the Group's high-quality development. In addition, we have implemented a quality management system in compliance with ISO 9001:2015 standards and formulated the *Engineering Supervision and Management System* to ensure that the quality of each work process meets customers' requirements. The health and safety measures for engineering services have been set out in the chapter headed "Health and Safety".

Each construction project has at least one site representative, who is responsible for real-time communication with our customers and subcontractors at the project site, coordinating requirements and resource allocation, facilitating effective team communication, to promptly address identified issues or risks relating to project quality, safety and environment. To ensure the progress of construction projects, the operations department or engineering department is responsible for updating the project construction schedule on a weekly basis, recording data such as the actual progress of the construction projects, the planned number of construction days, and the corresponding construction projects or stages during the period. In the event of any material discrepancies, follow-up actions should be taken in a timely manner, and detailed annotations should be made in the project construction schedule to ensure that the relevant issues have been properly resolved. To supervise the work quality of workers and subcontractors, project managers and site foremen should inspect the project quality at the construction site every day, including the work quality of subcontractors. When the quality is found to be inconsistent with the acceptance standards, the subcontractors should be promptly requested to redo the work.

The Group has also established a handling process for customer and third-party feedback in the *Sales to Collection Management System* to ensure that relevant departments can conduct detailed investigations, actively supervise the complaint handling process, coordinate and communicate with all parties involved, and properly respond to complainants. In the event of construction works carried out in public areas, the engineering department shall mark the feedback hotline and contact person within the construction site. Upon receipt of feedback from customers and third parties, the engineering department is required to understand the facts and root causes of the complaints, and provide feedback and improvements based on the opinions from customers and third parties, so as to enhance the Group's service quality. During 2025, the Group did not receive any material complaints regarding its products and services. As the Group is not involved in production operations, the disclosure requirements on the percentage of total product sold or shipped subject to recalls for safety and health reasons and the product recall procedures are not applicable.

Customer Privacy and Intellectual Property

The Group attaches great importance to customer privacy protection and intellectual property. We have formulated the *Code of Conduct for Integrity and Honesty*, which requires all employees not to disclose or abuse the Group's confidential information and any company information without authorisation. Employees authorised to access or manage information, including information in computer systems, must always take confidentiality measures to prevent the abuse or unauthorised disclosure of information. When using any personal information of employees and customers, we require employees to exercise extreme caution to ensure compliance with the *Personal Data (Privacy) Ordinance*.

In addition, the Group has formulated the *Information Technology Management System* to ensure the safe, reliable and efficient operation of its information systems. Through strict measures such as user authority management, information system password management, computer room security, network security, information system virus protection management, information system patch management, information system change management, software licence management, data storage media disposal procedures and data backup, we comprehensively safeguard information security and ensure that the software used in the Group's computer systems has obtained appropriate licences. We will regularly monitor the above policies and measures to ensure their effectiveness.

The Group closely monitors and prevents infringement acts such as counterfeit trademarks in the market to ensure that its intellectual property rights are not infringed. During the Year, we were not aware of (i) any material infringements by us of any intellectual property rights owned by third parties; (ii) any material infringements by any third parties of any intellectual property rights owned by us; or (iii) any pending or threatened claims against us or against any members of our Group in relation to any material infringement of intellectual property rights of third parties.

Advertising and Labelling

Based on the nature of the business, the Group only conducts limited advertising and promotional activities, and therefore does not involve significant advertising-related risks. Notwithstanding, for the marketing and promotion of products and services, we strictly regulate and inspect all promotional activities for products and services to ensure compliance with applicable laws and regulations on promotion and labelling. Such marketing and promotion must accurately reflect the quality and content of the Group's products and services.

B7. Anti-corruption

During the Year, the Group did not identify any concluded legal cases regarding corrupt practices brought against it or its employees. The Group strictly complied with laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering, and was not aware of any material violations of laws and regulations that had a significant impact on the Group. Such laws and regulations include, but are not limited to:

- The *Prevention of Bribery Ordinance* (Cap. 201 of the Laws of Hong Kong); and
- The *Anti-Money Laundering and Counter-Terrorist Financing Ordinance* (Cap. 615 of the Laws of Hong Kong).

To foster a corporate culture of integrity-based operations and ensure the sound development of our Group, we have formulated the *Anti-corruption and Anti-money Laundering Policy* and the *Code of Conduct for Integrity and Honesty*, prohibiting our management and all employees from receiving, offering or soliciting any benefits from business associates (including suppliers and contractors) when conducting business. The table below sets out the Group's anti-corruption and anti-bribery measures:

Category	Measures
Acceptance of benefits	• The Group's Directors, supervisors, management or all employees are prohibited from soliciting any benefits from any person (such as suppliers, contractors) who has business dealings with our Group when conducting business. If the responsible personnel and staff intend to accept any benefits provided by such persons, they should obtain special permission from the Board in advance.
Provision of benefits	• When performing duties, our Group's Directors or employees must not directly or indirectly, or through a third party, provide bribes or benefits to any director, employee or agent of another company or organisation, or any public official.
Hospitality	• Directors or employees should refuse to accept overly lavish or frequent hospitality provided by persons (such as suppliers or contractors) who have business dealings with the Group.
Conflicts of interest	• A conflict of interest refers to a situation where the personal interests of a Director or employee conflict with or are in opposition to the interests of our Group. Personal interests include the financial and personal interests of our Director or employee, as well as their family members and relatives, close friends, and the companies and organisations they belong to; • All employees should avoid any situations that actually or are perceived to involve a conflict of interest. If such a situation arises in the course of business, they should report it in writing to their supervisor or the Board. Such individuals should proactively avoid handling the related matter, and should follow the instructions of their supervisor or the Board, who may assign the matter to other responsible personnel; and • For any proposals considered by the Group's Board, each Director should fully consider whether they or the legal entity they represent have an interest in the matter, and they should recuse themselves from decisions that may harm our Group's interests.

The Group introduces whistle-blowing mechanism by (i) encouraging employees or external third parties to actively monitor and report any serious misconduct that may violate honest business practices via email and hotline. Any responsible personnel or employees who violate any provision of the *Anti-corruption and Anti-money Laundering Policy* will be subject to disciplinary action, or be terminated from their appointment/ employment if there is sufficient justification. If the Group suspects the violation involves corruption or other criminal offences, we will report to the Independent Commission Against Corruption (ICAC) or the relevant authorities of the same. The Group regularly reviews its whistle-blowing mechanism to ensure its effectiveness.

The Group is committed to raising awareness of business ethics and anti-corruption among our Directors and employees and regularly organises educational training and promotion of the above policies for Directors, supervisors, management and all employees, and invites major business partners with whom our Group has business dealings to participate in the training, in order to ensure the effective implementation of our Group's policies. For 2025, the Group did not conduct any anti-corruption-related training due to resource constraints.

B8. Community Investment

Upholding the principle of giving back to the society, the Group actively demonstrates the service spirit of its core values, and encourages employees to participate in various educational, cultural, and social welfare activities. For 2025, the Group made charitable donations amounted to approximately HK$3.4 million. Of which, the Group donated HK$10,000 to the Society for the Prevention of Cruelty to Animals and purchased HK$5,072 worth of souvenirs to support its animal rescue efforts. The Group has also been awarded the Caring Company Award for 2023/24, committing to practicing and continuously promoting corporate social responsibility and a culture of care. The Group also intends to invest more resources in various educational, cultural and social welfare activities in the future, and actively participates in community volunteer activities to show our concern and feedback to the local community.

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General Disclosures and KPIs	Description	Section
A. Environmental		
Aspect A1: Emissions		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental
KPI A1.1	The types of emissions and respective emissions data.	Environmental — Emissions: Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and (as appropriate) intensity.	Environmental — Emissions: GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and (as appropriate) intensity.	Environmental — Emissions: Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and (as appropriate) intensity.	Environmental — Emissions: Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental — Emissions: GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental — Emissions: Waste Management

General Disclosures and KPIs	Description	Section
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental — Use of Resources
KPI A2.1	Direct and/or indirect energy (e.g. electricity, gas or oil) consumption by type in total (kWh in'000s) and intensity.	Environmental — Use of Resources: Energy Consumption
KPI A2.2	Water consumption in total and intensity.	Environmental — Use of Resources: Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental — Use of Resources: Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental — Use of Resources: Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced (as appropriate).	Not applicable, explained
Aspect A3: The Environment and Natural Resources		
General Disclosures	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental — The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental — The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosures	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental — Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental — Climate Change: Physical Risks, Transition Risks, Opportunities

General Disclosures and KPIs	Description	Section
B. Social		
Aspect B1: Employment		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Social — Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social — Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social — Employment
Aspect B2: Health and Safety		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Social — Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social — Health and Safety
KPI B2.2	Lost days due to work injury.	Social — Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Social — Health and Safety

General Disclosures and KPIs	Description	Section
Aspect B3: Development and Training		
General Disclosures	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Social — Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social — Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social — Development and Training
Aspect B4: Labour Standards		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Social — Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social — Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Social — Labour Standards
Aspect B5: Supply Chain Management		
General Disclosures	Policies on managing environmental and social risks of the supply chain.	Social — Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Social — Supply Chain Management

General Disclosures and KPIs	Description	Section
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Social — Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Social — Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Social — Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Social — Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable, explained
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Social — Product Responsibility: Quality and Safety of Engineering Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Social — Product Responsibility: Customer Privacy and Intellectual property
KPI B6.4	Description of quality assurance process and recall procedures.	Social — Product Responsibility: Quality and Safety of Engineering Services

General Disclosures and KPIs	Description	Section
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Social — Product Responsibility: Customer Privacy and Intellectual property
Aspect B7: Anti-corruption		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Social — Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Year and the outcomes of the cases.	Social — Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Social — Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Social — Anti-corruption
Aspect B8: Community Investment		
General Disclosures	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social — Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social — Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Social — Community Investment

pwc

羅兵咸永道

To the Shareholders of Wing Lee Development Construction Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Wing Lee Development Construction Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 98 to 161, comprise:

- the consolidated statement of financial position as at 31 March 2025;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("**the Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is related to revenue recognition from construction contracts.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition from construction contracts Refer to notes 4 and 5 to the consolidated financial statements. For the Year, the Group recognised revenue of approximately HK$710.0 million generated from construction contracts of civil engineering, electrical and mechanical engineering and new energy projects. The Group recognises revenue from construction contracts overtime by measuring the progress towards complete satisfaction of the performance obligations using input methods, on the basis of the costs incurred by the Group up to the year-end date as a percentage of total estimated costs for each project. The total estimated costs are prepared by the internal quantity surveyors with reference to cost structure of the Group's completed projects of similar size and specifications, and the latest actual costs incurred. The progress for each project are reassessed by management at each reporting date. We focused on this area due to significant management's judgement and estimation involved in assessing the progress of work performed and the profit margin.	Our procedures in relation to revenue recognition from construction contracts included: — Obtained an understanding of the Group's internal control and assessment process of revenue and cost recognition on construction contracts and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes in circumstances and susceptibility of management bias; — Evaluated and tested, on a sample basis, key internal control procedures over the revenue and cost recognition; — Assessed the Group's revenue recognition policies to evaluate whether they are in accordance with the relevant accounting standards; — Assessed, on a sample basis, the reasonableness of total estimated project costs taking into account of the types of project, key terms of the construction contracts and related supporting evidence; — Tested, on a sample basis, the actual costs incurred during the Year by checking the relevant supporting documents;

KEY AUDIT MATTERS *(Continued)*

Key Audit Matter *(Continued)*	**How our audit addressed the Key Audit Matter** *(Continued)*
	— Tested, on a sample basis, the costs recognised before and after the year end date by examining relevant supporting evidence to assess whether they are recognised in the appropriate accounting period; and — Assessed the effectiveness of management's estimation, by comparing the initial estimated costs and initial profit margin with actual costs incurred and the final profit margin for completed projects on a sample basis, and corroborated with explanation and supporting evidence from management and internal quantity surveyors. Based on our audit procedures, we found the management's judgement and estimation involved were supported by the available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Au, Chi Ho (practising certificate number: P06343).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 June 2025

Consolidated Statement of Profit or Loss

For the year ended 31 March 2025

	Notes	**2025 HK$'000**	2024 HK$'000
Revenue	5	**716,639**	526,099
Cost of services	7	**(572,232)**	(404,492)
Gross profit		**144,407**	121,607
General and administrative expenses	7	**(60,593)**	(23,561)
Reversal of impairment loss on financial assets	3.1(b)	**628**	174
Other income	6	**2,430**	1,933
Other gain	6	**172**	10
Listing expenses	7	**(16,516)**	(4,880)
Operating profit		**70,528**	95,283
Finance costs, net	10	**(2,275)**	(2,367)
Profit before income tax		**68,253**	92,916
Income tax expenses	11	**(12,795)**	(16,009)
Profit for the year and profit attributable to shareholders of the Company		**55,458**	76,907
Earnings per share attributable to shareholders of the Company (expressed in HK cents per share) — Basic and diluted	12	**6.4**	10.3

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2025

	Notes	**2025 HK$'000**	2024 HK$'000
Profit for the year		**55,458**	76,907
Other comprehensive loss:			
Item that will not be subsequently reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations	28	**(719)**	(29)
Other comprehensive loss for the year, net of tax		**(719)**	(29)
Total comprehensive income attributable to shareholders of the Company		**54,739**	76,878

The above consolidated statement of comprehensive income should be read in conjunction with the accompany notes.

Consolidated Statement of Financial Position

As at 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
ASSETS			
Non-current assets			
Property and equipment	14	**102,513**	85,610
Right-of-use assets	15(a)	**40,899**	2,764
Intangible assets	16	**2,814**	1,620
Deposits and prepayments	21	**6,456**	525
Deferred income tax assets	18	**2,887**	2,243
Total non-current assets		**155,569**	92,762
Current assets			
Inventories	23	**459**	469
Contract assets	22	**270,693**	187,895
Trade receivables	20	**20,108**	48,191
Deposits, prepayments and other receivables	21	**6,005**	9,099
Income tax recoverable		**2,784**	—
Pledged bank deposit	24	**19,922**	—
Cash and cash equivalents	24	**93,676**	27,361
Total current assets		**413,647**	273,015
Total assets		**569,216**	365,777
LIABILITIES			
Non-current liabilities			
Borrowings	29	**4,051**	7,959
Lease liabilities	15(b)	**5,370**	813
Deferred tax liabilities	18	**10,210**	7,628
Other payable	28	**—**	6,727
Provision for long service payment	28	**1,049**	313
Total non-current liabilities		**20,680**	23,440

As at 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Current liabilities			
Trade and retention payables	27	**91,977**	79,419
Contract liabilities	22	**—**	4,073
Accruals, provision and other payables	28	**42,212**	46,548
Amount due to a related party	31(b)	**—**	100
Lease liabilities	15(b)	**4,521**	1,954
Borrowings	29	**58,233**	42,203
Current tax liabilities		**—**	12,648
Total current liabilities		**196,943**	186,945
Total liabilities		**217,623**	210,385
Net assets		**351,593**	155,392
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	25	**10,000**	—
Combined capital		**—**	10
Reserves	26	**341,593**	155,382
Total equity		**351,593**	155,392

The consolidated financial statements on pages 98 to 161 were approved by the Board of Directors on 25 June 2025 and were signed on its behalf:

.....	.....
Yiu Wang Lee	Chan Lo Man
Director	Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Combined Capital (Note 25) HK$'000	Share capital (Note 25) HK$'000	Share premium (Note 26) HK$'000	Reserves (Note 26) HK$'000	Retained earnings HK$'000	Total equity HK$'000
Balance as at 1 April 2024	**10**	**—**	**—**	**4,889**	**150,493**	**155,392**
Comprehensive income						
Profit for the year	**—**	**—**	**—**	**—**	**55,458**	**55,458**
Other comprehensive income						
Item that will not be reclassified subsequently to profit or loss:						
Remeasurements of post-employment benefit obligations	**—**	**—**	**—**	**(719)**	**—**	**(719)**
Total comprehensive income	**—**	**—**	**—**	**(719)**	**55,458**	**54,739**
Transactions with owners in their capacity as owners:						
Reorganisation	**(10)**	**—**	**—**	**10**	**—**	**—**
Share issued pursuant to the Reorganisation	**—**	**—***	**—**	**—**	**—**	**—**
Capitalisation issue	**—**	**7,500**	**(7,500)**	**—**	**—**	**—**
Shares issued under the share offering	**—**	**2,500**	**180,000**	**—**	**—**	**182,500**
Share issue costs	**—**	**—**	**(11,038)**	**—**	**—**	**(11,038)**
Dividend declared (Note 13)	**—**	**—**	**—**	**—**	**(30,000)**	**(30,000)**
	(10)	**10,000**	**161,462**	**10**	**(30,000)**	**141,462**
Balance as at 31 March 2025	**—**	**10,000**	**161,462**	**4,180**	**175,951**	**351,593**

	Combined capital (Note 25) HK$'000	Share premium (Note 26) HK$'000	Reserves (Note 26) HK$'000	Retained earnings HK$'000	Total equity HK$'000
Balance as at 1 April 2023	10	—	4,918	114,067	118,995
Comprehensive income					
Profit for the year	—	—	—	76,907	76,907
Other comprehensive loss					
Item that will not be reclassified subsequently to profit or loss:					
Remeasurements of post-employment benefit obligations	—	—	(29)	—	(29)
Total comprehensive income	—	—	(29)	76,907	76,878
Transactions with owners in their capacity as owners:					
Dividend declared (Note 13)	—	—	—	(40,481)	(40,481)
Balance as at 31 March 2024	10	—	4,889	150,493	155,392

* Amount below HK$1,000

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Cash generated from operations	30(a)	**31,676**	91,274
Tax paid		**(26,289)**	(21,883)
Net cash inflow from operating activities		**5,387**	69,391
Cash flows from investing activities			
Interest received		**96**	—
Payments for property and equipment	14	**(32,949)**	(18,583)
Payments for right of use asset	15	**(31,330)**	—
Payments for intangible assets	16	**(1,246)**	—
Repayments from related parties		**—**	6,400
Increase in pledged bank deposits		**(19,922)**	—
Advance to directors		**(6,363)**	(27,435)
Proceeds from sale of property and equipment	30(b)	**172**	10
Net cash outflow from investing activities		**(91,542)**	(39,608)
Cash flows from financing activities			
Interest paid on bank loans	30(c)	**(1,190)**	(1,607)
Dividend paid	13	**(23,637)**	—
Proceeds from the listing	25	**182,500**	—
Proceeds from bank loans	30(c)	**57,380**	22,363
Repayments of bank loans	30(c)	**(36,189)**	(17,713)
Proceeds from hire purchases	30(c)	**3,266**	8,112
Repayments of hire purchases	30(c)	**(12,335)**	(12,389)
Repayments of principal portion of lease liabilities	30(c)	**(3,375)**	(2,552)
Repayments of interest portion of lease liabilities	30(c)	**(225)**	(98)
Repayments of interest portion of hire purchases	30(c)	**(956)**	(662)
Repayments to a related party	30(c)	**(100)**	(97)
Payments of listing expenses		**(12,669)**	(3,249)
Net cash inflow/(outflow) from financing activities		**152,470**	(7,892)
Net increase in cash and cash equivalents		**66,315**	21,891
Cash and cash equivalents at the beginning of the year		**27,361**	5,470
Cash and cash equivalents at end of the year	24	**93,676**	27,361

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

Wing Lee Development Construction Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 17 May 2024 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in large-scale excavation, steel structure support design and construction of underground facilities and construction works, solar system construction and maintenance, road and drainage improvement and construction, underground cable laying and connection project, machinery leasing, and material trading in public and private sector in Hong Kong (the "**Listing Business**"). The ultimate holding company of the Company is Wing Lee Green Development Limited. The ultimate controlling parties of the Group are Mr. Yiu Wang Lee, Mr. Yiu Wang Lung and Mr. Chan Lo Man.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited on 9 October 2024.

These consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), unless otherwise stated.

1.2 Reorganisation

To prepare for the Listing, the Group underwent a group reorganisation (the "**Reorganisation**"), pursuant to which the Listing Business were transferred to the Company and the Company became the holding company of the companies now comprising the Group (details of the Reorganisation are set out in the section headed "History, Development and Reorganisation" in the prospectus of the Company dated 27 September 2024 (the "**Prospectus**")).

1.3 Basis of presentation

Immediately prior to the Reorganisation and during the years ended 31 March 2025 and 2024, the Listing Business is held by Wing Lee Group (Holdings) Limited and conducted through its subsidiaries. Pursuant to the Reorganisation, Wing Lee Group (Holdings) Limited and the Listing Business were transferred to and held by the Company. The Company and those companies newly incorporated pursuant to the Reorganisation have not been involved in any other business prior to the Reorganisation and do not meet the definition of a business. The Reorganisation is merely a recapitalisation of the Listing Business with no change in management of such business and the ultimate owners of the Listing Business remain the same. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the Listing Business under Wing Lee Group (Holdings) Limited and, for the purpose of this report, the consolidated financial statements has been prepared and presented as a continuation of the Listing Business, with the assets and liabilities of the Group recognised and measured at the carrying amounts of the Listing Business prior to the Reorganisation for all periods presented.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with the principal accounting policies as set out below which are in accordance with HKFRS Accounting Standard ("**HKFRS**") as issued by the Hong Kong Institute of Certified Public Accountants and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

HKFRS comprise the authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants

The consolidated financial statements have been prepared on a historical cost basis.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.1 Amended standards and interpretation adopted by the Group

The Group has applied the following amended standards and interpretation for the first time for their annual reporting period commencing on or after 1 April 2024:

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

The updated policy did not result in a change in the classification of Group's bank borrowings as at 31 March 2025. The Group did not make retrospective adjustments as a result of adopting the amendments to HKAS 1.

The amended standards and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 BASIS OF PREPARATION *(Continued)*

2.2 New standards, amended standards and interpretations not yet adopted

The following new standards, amendments to existing standards and interpretation issued have been published that are not mandatory for 31 March 2025 reporting period and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 April 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and measurement of financial instruments	1 April 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 April 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 April 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 April 2027
Amendments to Hong Kong Interpretation 5	Classification by the borrower of a term loan that contains a repayment on demand clause	1 April 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group will apply the above new standards, amendments to existing standards and interpretation when they become effective.

HKFRS 18 Presentation and Disclosure in Financial Statements ("HKFRS 18") (effective for annual periods beginning on or after 1 April 2027)

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

2 BASIS OF PREPARATION *(Continued)*

2.2 New standards, amended standards and interpretations not yet adopted *(Continued)*

HKFRS 18 Presentation and Disclosure in Financial Statements ("HKFRS 18") (effective for annual periods beginning on or after 1 April 2027) *(Continued)*

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the consolidated statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

  — Foreign exchange differences currently aggregated in the line item "other gain" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

- The line items presented on the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation.

- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

  — management-defined performance measures;

  — a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss — this break-down is only required for certain nature expenses; and

  — for the first annual period of application of HKFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

The Group will apply HKFRS 18 from its mandatory effective date of 1 April 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 March 2027 will be restated in accordance with HKFRS 18.

The Group will apply the above new standard, revised framework and amendments to standards when they become effective. Except for the HKFRS 18 mentioned above, no new standard, revised framework and amendments to standards is expected to have a material effect on the entity in the current or future reporting periods and on foreseeable future transactions.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the directors of the Company and senior management of the Group.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activity is undertaken by management.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the functional currency of the Group entities.

Most of the income, expenditures, assets and liabilities of the Group are denominated in HK$, being the functional currency of the subsidiaries now comprising the Group, and hence, the Group does not have any material foreign exchange risk exposure.

(ii) Cash flow interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rate expose the Group to cash flow interest rate risk.

The Group's interest rate risk arises from cash at banks and borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by the bank deposits. The interest rate profile of borrowings are disclosed in Note 29. The bank deposits generate interest at the prevailing market interest rates.

As at 31 March 2025, if interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, the Group's profit after tax and total comprehensive income would have been approximately HK$1,025,000 higher/lower (2024: HK$157,000 lower/higher). The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the date of consolidated statement of financial position and had been applied to the exposure to cash flow interest rate risk for borrowings in existence at the date of consolidated statement of financial position.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk

(i) Risk management

The carrying amounts of cash and cash equivalents, trade receivables, contract assets, deposits and other receivables included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

Management considers the Group has limited credit risk with its cash and cash equivalents as they were mainly deposited in leading and reputable banks and the banks' external credit ratings are of investment grades. The Group has not incurred significant loss from non-performance by these parties in the past and management does not expect so in the future.

To manage the risk arising from trade receivables, contract assets, deposits and other receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The Group trades only with recognised and creditworthy third parties. The Group takes into account information specific to the customer, such as its financial position, past experience and other factors to evaluate the creditability of customers. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to expected credit loss is not significant.

As at 31 March 2025, the Group is exposed to concentration of credit risk on trade receivables and contract assets from the Group's five largest customers amounting to approximately HK$158,648,000 and HK$218,288,000 and accounted for approximately 67% and 75% of the total trade receivables and contract assets balance. The major customers of the Group are reputable organisations and with good repayment history. Management considers that the credit risk is limited in this regard.

(ii) Impairment of financial assets

The Group has four types of assets that are subject to the expected credit loss ("**ECL**") model:

- cash and cash equivalents;
- trade receivables;
- contract assets; and
- deposits and other receivables at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial as the relevant banks' external credit ratings are of investment grades.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk *(Continued)*

(ii) *Impairment of financial assets (Continued)*

Trade receivables and contract assets

The Group applies simplified approach prescribed by HKFRS 9 to measuring ECL which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables. The Group has therefore grouped the trade receivables and contact assets together to access the expected credit loss.

Trade receivables and contract assets relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance.

The following table represents the gross carrying amount and the provision for impairment in respect of the individually assessed receivables as at 31 March 2025 and 2024.

Measurement of ECL on individual basis

	Contract assets		**Trade receivables**	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
Gross carrying amount	**5,000**	5,000	**6,782**	9,305
Provision for impairment	**(5,000)**	(5,000)	**(4,259)**	(4,259)
Net carrying amount	**—**	—	**2,523**	5,046

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk *(Continued)*

(ii) Impairment of financial assets (Continued)

For the remaining balances, the expected loss rates are based on external default data of customers of similar nature. The historical loss rates are also adjusted to reflect current and forward-looking information on macroeconomic factors (i.e. employment rate and high-yield bond spread) affecting the ability of the customers to settle the receivables.

Measurement of ECL on collective basis

	Contract assets		Trade receivables	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
Gross carrying amount	**273,170**	190,349	**17,763**	43,974
Provision for impairment	**(2,477)**	(2,454)	**(178)**	(829)
Net carrying amount	**270,693**	187,895	**17,585**	43,145
Expected credit loss rates	**0.05%–1.97%**	1.01%–2.70%	**0.03%–1.97%**	1.01%–2.70%

When a trade receivable or contract asset is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the same line item.

The loss allowances for trade receivables and contract assets as at 31 March 2025 and 2024 reconciling to the opening loss allowances as follows:

	Contract assets		Trade receivables	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
Opening loss allowance	**7,454**	6,885	**5,088**	5,831
Increase/(decrease) in loss allowance recognised in profit or loss during the year	**23**	569	**(651)**	(743)
Closing loss allowance	**7,477**	7,454	**4,437**	5,088

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk *(Continued)*

(ii) Impairment of financial assets *(Continued)*

Other financial assets at amortised cost

Other financial assets at amortised cost include deposits and other receivables.

For other financial assets at amortised cost, management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses which is immaterial.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of available banking facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability of banking facilities.

Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents (Note 24) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

The Group had no undrawn borrowing facilities as at 31 March 2025 and 2024.

(ii) Maturities of financial liabilities

The table below analyses the financial liabilities of the Group into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interests payments computed using contractual rates, or if floating, based on the current rates at the period-end date). Where the loan agreement contains a repayable on demand clause which gives the lender the unconditional right to call the loan at any time, the amounts repayable are classified in the earliest time bracket in which the lender could demand repayment. The maturity analysis for remaining financial liabilities is prepared based on the scheduled repayment dates.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Liquidity risk *(Continued)*

(ii) Maturities of financial liabilities (Continued)

Contractual maturities of financial liabilities	**On demand HK$'000**	**Within 1 year HK$'000**	**Over 1 year but within 5 years HK$'000**	**Total contractual cash flows HK$'000**	**Carrying amount HK$'000**
As at 31 March 2025					
Trade and retention payables	**—**	**91,977**	**—**	**91,977**	**91,977**
Accruals and other payables	**—**	**30,115**	**—**	**30,115**	**30,115**
Borrowings and interest payments	**70,990**	**2,447**	**4,392**	**77,829**	**62,284**
Lease liabilities and interest payments	**—**	**5,824**	**5,579**	**11,403**	**9,891**
	70,990	**130,363**	**9,971**	**211,324**	**194,267**

Contractual maturities of financial liabilities	On demand HK$'000	Within 1 year HK$'000	Over 1 year but within 5 years HK$'000	Total contractual cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2024					
Trade and retention payables	—	79,419	—	79,419	79,419
Accruals and other payables	—	34,403	6,789	41,192	41,130
Borrowings and interest payments	36,552	7,791	8,637	52,980	50,162
Lease liabilities and interest payments	—	2,033	830	2,863	2,767
Amount due to a related party	100	—	—	100	100
	36,652	123,646	16,256	176,554	173,578

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Liquidity risk *(Continued)*

(ii) Maturities of financial liabilities (Continued)

The table below summarises the maturity analysis of borrowings of the Group with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. Taking into account the Group's financial position, the directors do not consider that it is probable that the relevant banks will exercise their discretion to demand immediate repayment. The directors believe that such borrowings will be repaid in accordance with the scheduled repayment dates set out in the relevant agreements.

	Within 1 year HK$'000	Over 1 year but within 2 years HK$'000	Over 2 years but within 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
As at 31 March 2025	15,764	15,767	6,610	32,849	70,990
As at 31 March 2024	21,156	8,091	6,731	574	36,552

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group mainly uses equity to finance its operations. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt or repay borrowings when cash received from non-trade receivables. Also, the Group continues to monitor and maintain the sufficiency of banking facilities for its operations.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings and lease liabilities less cash and cash equivalents.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital risk management *(Continued)*

The gearing ratios as at 31 March 2025 and 2024 were as follow:

	2025 HK$'000	2024 HK$'000
Borrowings	**62,284**	50,162
Lease liabilities	**9,891**	2,767
Total interest-bearing liabilities	**72,175**	52,929
Less: Cash and cash equivalents	**(93,676)**	(27,361)
Pledged bank deposits	**(19,922)**	—
Net (cash)/debt	**(41,423)**	25,568
Total equity	**351,593**	155,392
Gearing ratio	**N/A**	16.5%

Under the terms of certain bank borrowing, as at 31 March 2025, the Group is required to comply with certain non-financial covenants at the end of the reporting period.

The Group has complied with these covenants throughout the reporting period. There are no indications that the Group would have difficulties complying with the covenant (Note 29).

3.3 Fair value measurement

The carrying values of the Group's financial assets and financial liabilities are reasonable approximation of their fair values due to the relatively short-term nature of these financial instruments or interest-bearing nature.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

(a) Revenue recognition

The Group reviews and revises the estimates of contract revenue, contract costs, variation orders and contract claims prepared for each construction contract as the contract progresses. Budgeted construction costs are prepared by the management on the basis of quotations from time to time provided by the major contractors, suppliers or vendors involved and the experience of the management. In order to keep the budget accurate and up-to-date, management conducts periodic reviews of the budgets of contracts by comparing the budgeted amounts to the actual amounts incurred. Such significant estimate may have impact on the revenue and profit recognised in each period. The Group recognises its contract revenue based on the satisfaction of the performance obligation by input method, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

(b) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1(b).

5 REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker ("**CODM**") have been identified as the Chairperson and Chief Executive Officer Mr. Yiu Wang Lee and the Executive Director Mr. Chan Lo Man of the Company. The CODM regards the Group's business as three main business segments, namely (i) civil engineering, (ii) electrical and mechanical engineering and (iii) new energy and review the financial information accordingly:

(i) Civil engineering — principally engaged in civil engineering works which we specialise in site formation works and road and drainage works. Our site formation works generally include earthworks, excavation and installation of steel structures. Our road and drainage works mainly included construction and modification of roads, carriageway and pavement, construction of covered walkway, renovation of subways and footbridges, provision of universal accessibility facilities at footbridges, elevated walkways and subways, construction of drainage system, manholes, cable trenches and installation of water mains and sewerage pipes;

(ii) Electrical and mechanical engineering — principally engaged in electrical engineering works which generally include cable trenching, laying and jointing, and involve excavation, reinstatement and miscellaneous construction (such as concrete draw) works, traffic impact assessment as well as emergency and cable fault repair; and

(iii) New energy — principally engaged in design, installation and maintenance works of in solar PV system works.

Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before income tax. The adjusted profit before income tax is measured consistently with the Group's profit before income tax except that other income, other gain, finance costs, net, reversal of impairment loss on financial assets as well as the head office and corporate general and administrative expenses are excluded from such measurement.

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Information regarding the above segments is reported below.

(a) Segment profit

	Year ended 31 March 2025				
	Civil engineering HK$'000	Electrical and mechanical engineering HK$'000	New energy HK$'000	Others HK$'000	Total HK$'000
Revenue from external customers	**508,941**	**181,845**	**19,244**	**6,609**	**716,639**
Timing of revenue recognition					
— At a point in time	**—**	**—**	**—**	**1,000**	**1,000**
— Over time	**508,941**	**181,845**	**19,244**	**5,609**	**715,639**
Cost of services (excluding depreciation)	**(396,687)**	**(139,356)**	**(16,597)**	**(2,880)**	**(555,520)**
General and administrative expenses (excluding depreciation)	**(4,699)**	**(3,706)**	**(227)**	**(97)**	**(8,729)**
Depreciation of right-of-use assets	**(1,482)**	**(1,421)**	**(776)**	**(15)**	**(3,694)**
Depreciation of property and equipment	**(11,535)**	**(3,730)**	**(450)**	**(331)**	**(16,046)**
Segment profit	**94,538**	**33,632**	**1,194**	**3,286**	**132,650**
Unallocated amounts:					
General and administrative expenses					**(48,836)**
Reversal of impairment loss on financial assets					**628**
Other income					**2,430**
Other gain					**172**
Listing expenses					**(16,516)**
Finance costs, net					**(2,275)**
Income tax expenses					**(12,795)**
Profit for the year					**55,458**

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Segment profit *(Continued)*

	Year ended 31 March 2024				
	Civil engineering HK$'000	Electrical and mechanical engineering HK$'000	New energy HK$'000	Others HK$'000	Total HK$'000
Revenue from external customers	365,454	113,244	44,308	3,093	526,099
Timing of revenue recognition					
— At a point in time	—	—	—	2,064	2,064
— Over time	365,454	113,244	44,308	1,029	524,035
Cost of services (excluding depreciation)	(282,901)	(77,431)	(30,287)	(1,960)	(392,579)
General and administrative expenses (excluding depreciation)	(3,604)	(2,063)	(306)	(58)	(6,031)
Depreciation of right-of-use assets	(2,109)	(247)	(97)	(7)	(2,460)
Depreciation of property and equipment	(9,590)	(1,761)	(18)	(1)	(11,370)
Segment profit	67,250	31,742	13,600	1,067	113,659
Unallocated amounts:					
General and administrative expenses					(15,613)
Reversal of impairment loss on financial assets					174
Other income					1,933
Other gain					10
Listing expenses					(4,880)
Finance costs, net					(2,367)
Income tax expenses					(16,009)
Profit for the year					76,907

The Group is domiciled in Hong Kong. All revenue are derived from external customers in Hong Kong for the Year (2024: Same).

(b) Segment assets and liabilities

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(c) Disaggregation of revenue from contract with customers

	2025 HK$'000	2024 HK$'000
Civil engineering	**508,941**	365,454
Electrical and mechanical engineering	**181,845**	113,244
New energy	**19,244**	44,308
Others		
— Sales of materials	**1,000**	2,064
— Leasing of machinery	**5,609**	1,029
	716,639	526,099

(d) Revenue from major customers

Revenue individually generated from the following customers contributed more than 10% of the total revenue of the Group:

	2025 HK$'000	2024 HK$'000
Customer A	**262,822**	171,584
Customer B	**157,847**	88,892
Customer C	**98,477**	N/A*

* The corresponding revenue did not contribute over 10% of the total revenue of the Group in the respective years.

(e) Revenue recognised in relation to contract liabilities

The following table shows the revenue recognised related to carried-forward contract liabilities:

	2025 HK$'000	2024 HK$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year		
— Civil engineering	**1,835**	263
— New energy	**2,238**	303
	4,073	566

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(f) Unsatisfied long-term construction contract

The following table shows unsatisfied performance obligations resulting from long-term construction contracts.

	2025 HK$'000	2024 HK$'000
Aggregate amount of the transaction price allocated to long-term construction contracts that are unsatisfied as at year end	**966,477**	707,582

Management expects that the transaction prices regarding the unsatisfied contracts at the end of year will be recognised as revenue by referencing to the schedule below:

	2025 HK$'000	2024 HK$'000
Within 1 year	**446,785**	562,118
More than 1 year but less than 2 years	**321,302**	126,589
More than 2 years	**198,390**	18,875
	966,477	707,582

Accounting policies of revenue recognition

Revenue is recognised when or as the control of the assets is transferred to the customers. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time. Control of the assets is transferred over time if the Group's performance:

— provides all of the benefits received and consumed simultaneously by the customers;

— creates and enhances an asset that the customer controls as the Group perform; and

— do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

In control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

Accounting policies of revenue recognition *(Continued)*

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

— direct measurements of the value transferred by the Group to the customer; or

— the Group's effort or inputs to the satisfaction of the performance obligation.

(1) Construction contract

For construction contract, it is eligible for recognition of revenue over time as the Group created or enhanced an asset that customers controlled as the Group performs its performance obligation. The Group measures the progress of the projects in accordance with the input method. Under input method, revenue on construction contracts is recognised based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

Variations in contract work, claims and incentive payments are included in transaction price to the extent that that it is highly probable that a significant reversal of cumulative revenue recognised will not occur.

(2) Sales of materials

Sales of materials are recognised when a group entity has delivered products to the customer, the customer has full discretion over channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs until the products have been shipped to the specified location, the risk of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with sales contracts, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

(3) Leasing of machinery

Leasing of machinery is recognised in the accounting period in which the assets are leased out.

6 OTHER INCOME AND OTHER GAIN

	2025 HK$'000	2024 HK$'000
Other income		
Subsidies (Note (i))		
— Government (Note (ii))	**—**	305
— Construction Industry Council (Note (iii))	**1,845**	1,337
Other	**585**	291
	2,430	1,933
Other gain		
Gain on disposal of property and equipment	**172**	10

Notes:

(i) There are no unfulfilled conditions or other contingencies attaching to the subsidies.

(ii) Government subsidy for the Previous Year represents subsidy from the Hong Kong Government Ex-gratia Payment Scheme for Phasing Out Euro IV Diesel Commercial Vehicles.

(iii) Subsidies for the years ended 31 March 2025 and 2024 represent funding from the Construction Innovation and Technology Fund under the Construction Industry Council.

7 EXPENSE BY NATURE

	2025 HK$'000	2024 HK$'000
Material costs	**116,503**	66,333
Subcontracting fees	**223,485**	143,439
Fuel and oil	**14,939**	16,006
Employee benefit expenses (including directors' remuneration) (Note 8)	**184,663**	122,619
Auditor's remuneration		
— Audit services	**1,370**	188
— Non-audit services	**640**	—
Depreciation of property and equipment (Note 14)	**16,046**	11,370
Depreciation of right-of-use assets (Note 15(a))	**3,694**	2,460
Amortisation of intangible assets (Note 16)	**52**	—
Expense relating to short-term machinery leases (Note 15(c))	**23,462**	24,760
Expense relating to other short-term leases (Note 15(c))	**2,617**	2,701
Donation	**3,396**	172
Insurance	**4,605**	3,663
Repair and maintenance	**6,154**	5,325
Marketing expenses	**4,149**	1,829
Project consultancy services	**2,635**	5,979
Legal and professional fees	**3,830**	1,678
Motor vehicles expenses	**1,938**	2,123
Listing expenses	**16,516**	4,880
Other expenses	**18,647**	17,408
Total cost of services, and general and administrative expenses	**649,341**	432,933

8 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' REMUNERATION)

	2025 HK$'000	2024 HK$'000
Salaries, wages and bonuses	**179,286**	116,741
Pension costs — defined contribution plan	**5,315**	5,737
Staff welfare and allowances	**45**	126
Long service payment	**17**	15
	184,663	122,619
Included in:		
— Cost of services	**151,843**	112,609
— General and administrative expenses	**32,820**	10,010
	184,663	122,619

No forfeited contributions were utilised for the years ended 31 March 2025. Furthermore, no forfeited contributions were available as at 31 March 2025 to reduce future contributions (2024: Same).

8 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' REMUNERATION) *(Continued)*

Five highest paid individuals

For each of the years ended 31 March 2025, the five individuals whose emoluments were the highest in the Group include the 3 directors (2024: 3 directors), whose emoluments were reflected in Note 9. The emoluments paid to the remaining 2 individuals (2024: 2 individuals), are as follows:

	2025 HK$'000	2024 HK$'000
Salaries and wages	**1,918**	2,030
Discretionary bonuses	**3,280**	—
Pension costs — defined contribution plan	**36**	18
	5,234	2,048

The emoluments of above individuals are within the following bands:

	2025 Number of individuals	2024 Number of individuals
Emoluments band		
Within HK$1,000,000	**—**	1
HK$1,000,001–HK$1,500,000	**—**	1
HK$2,000,001–HK$2,500,000	**1**	—
HK$3,000,001–HK$3,500,000	**1**	—
	2	2

9 BENEFITS AND INTERESTS OF DIRECTORS

Directors' emoluments

The remuneration of each director paid/payable for each of the years ended 31 March 2025 and 2024 were set out below:

For the Year

Name	Director's fees HK$'000	Salaries HK$'000	Discretionary bonuses HK$'000	Allowances and benefits in kind HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Total HK$'000
Executive directors						
Mr. Yiu Wang Lee (note (v))	**—**	**1,380**	**2,000**	**—**	**18**	**3,398**
Mr. Yiu Wang Lung (note (v))	**—**	**1,200**	**2,700**	**—**	**18**	**3,918**
Mr. Chan Lo Man (note (v))	**—**	**1,140**	**5,420**	**—**	**18**	**6,578**
Ms. Tse Ka Wing (note (v))	**—**	**960**	**500**	**—**	**18**	**1,478**
Independent non-executive directors						
Mr. Shang Hailong (note (vi))	**—**	**150**	**—**	**—**	**—**	**150**
Mr. Fu He (note (vi))	**—**	**150**	**—**	**—**	**—**	**150**
Mr. Leung Wai Hung (note (vi))	**—**	**150**	**—**	**—**	**—**	**150**
Total	**—**	**5,130**	**10,620**	**—**	**72**	**15,822**

For the Previous Year

Name	Director's fees HK$'000	Salaries HK$'000	Discretionary bonuses HK$'000	Allowances and benefits in kind HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Total HK$'000
Executive director and Chief executive						
Mr. Yiu Wang Lee (note (v))	—	930	—	—	18	948
Mr. Yiu Wang Lung (note (v))	—	930	—	—	18	948
Mr. Chan Lo Man (note (v))	—	825	—	—	18	843
Ms. Tse Ka Wing (note (v))	—	960	—	—	18	978
Total	—	3,645	—	—	72	3,717

9 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

Directors' emoluments *(Continued)*

(i) The remunerations shown above represent remunerations received from the Group by these directors in their capacity as employees to the Group and no directors waived any emoluments during each of the years ended 31 March 2025 (2024: Same).

(ii) During the Year, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable. No consideration was provided to or receivable by third parties for making available directors' services (2024: Same).

(iii) During the Year, other than those disclosed in Note 31, no significant transactions, agreements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had material interest, whether directly or indirectly, subsisted at the end of each of the years ended 31 March 2025 (2024: Same).

(iv) During the Year, other than those disclosed in Note 31, there were no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors (2024: Same).

(v) Mr. Yiu Wang Lee, Mr. Yiu Wang Lung, Mr. Chan Lo Man and Ms. Tse Ka Wing were appointed as the Company's directors on 17 May 2024. The directors' emoluments are presented as if the directors had been appointed throughout the years ended 31 March 2025.

(vi) Mr. Shang Hailong, Mr. Fu He and Mr. Leung Wai Hung were appointed as the Company's independent non-executive directors on 9 October 2024. During the Previous Year, the independent non-executive directors have not yet been appointed and received nil director's remuneration in the capacity of independent non-executive directors.

During the Year, none of the directors of the Company waived any emoluments paid or payable by the Group during the year (2024: Same) and there were no amounts paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Same).

10 FINANCE COSTS, NET

	2025 HK$'000	2024 HK$'000
Finance income:		
— Interest income from bank deposits	**96**	—*
Finance costs:		
— Interest expense on bank loans	**(1,190)**	(1,607)
— Interest expense on lease liabilities	**(225)**	(98)
— Interest expense on hire purchases	**(956)**	(662)
	(2,371)	(2,367)
Finance costs, net	**(2,275)**	(2,367)

* The amount is less than HK$1,000.

11 INCOME TAX EXPENSES

	2025 HK$'000	2024 HK$'000
Current income tax		
— Provision for current year	**12,992**	13,983
— Over-provision in prior year	**(2,135)**	—
Deferred income tax (Note 18)	**1,938**	2,026
Income tax expenses	**12,795**	16,009

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Company and the group companies incorporated in the Cayman Islands and the British Virgin Islands, respectively, are not subject to any income tax.

Other group companies are subject to Hong Kong profits tax. Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits during the years ended 31 March 2025 and 2024, except for one entity that is qualified under the two-tiered profits tax regime, under which the first HK$2.0 million of its assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

11 INCOME TAX EXPENSES *(Continued)*

	2025 HK$'000	2024 HK$'000
Profit before income tax	**68,253**	92,916
Tax calculated at domestic tax rates applicable to profits in Hong Kong	**11,262**	15,331
Tax effects of:		
Income not subject to tax	**(156)**	(2)
Expenses not deductible for tax purpose	**4,558**	857
Effect of two-tiered profits tax rates regime	**(165)**	(165)
Tax concession	**(8)**	(12)
Tax effect of temporary differences not recognised	**(561)**	—
Over-provision in prior year	**(2,135)**	—
	12,795	16,009

12 EARNINGS PER SHARE

In determining the weighted average number of ordinary shares in issue during the years ended 31 March 2025 and 2024, the ordinary shares issued upon incorporation of the Company, the ordinary shares issued in exchange for the Listing Business in the reorganisation as detailed in Note 1.2 to the Accountant's Report set out in Appendix I to the Prospectus and the capitalisation issue (Note 25), were deemed to be issued on 1 April 2023 as if the Company has been incorporated by then.

	2025 HK$'000	2024 HK$'000
Profit attributable to shareholders of the Company (HK$'000)	**55,458**	76,907
Weighted average number of ordinary shares in issue (thousands)	**868,493**	750,000
Basic earnings per share (HK cents per share)	**6.4**	10.3

Diluted earnings per share are the same as basic earnings per share as there were no dilutive potential ordinary shares for the Year (2024: Same).

13 DIVIDENDS

In September 2024, prior to the Listing, the Company declared an interim dividend of approximately HK$30,000,000, of which approximately HK$23,637,000 was settled by cash and approximately HK$6,363,000 was offset against the aggregate amounts due from the Directors. Other than the changes above, the Board does not recommend the payment of any interim dividend or final dividend for the Year.

14 PROPERTY AND EQUIPMENT

Name	Leasehold improvement HK$'000	Building HK$'000	Office equipment and furniture HK$'000	Machineries HK$'000	Motor vehicles HK$'000	Total HK$'000
At 1 April 2023						
Cost	1,120	—	1,821	76,105	13,160	92,206
Accumulated depreciation	(714)	—	(1,109)	(33,814)	(8,162)	(43,799)
Net book amount	406	—	712	42,291	4,998	48,407
Year ended 31 March 2024						
Opening net book amount	406	—	712	42,291	4,998	48,407
Additions	—	—	—	46,977	1,600	48,577
Write-off	—	—	—	—	(4)	(4)
Depreciation charge (Note 7)	(251)	—	(220)	(9,376)	(1,523)	(11,370)
Closing net book amount	155	—	492	79,892	5,071	85,610
At 31 March 2024						
Cost	1,120	—	1,821	121,465	14,063	138,469
Accumulated depreciation	(965)	—	(1,329)	(41,573)	(8,992)	(52,859)
Net book amount	155	—	492	79,892	5,071	85,610
Year ended 31 March 2025						
Opening net book amount	155	—	492	79,892	5,071	85,610
Additions	790	22,471	54	6,485	3,149	32,949
Depreciation charge (Note 7)	(68)	(162)	(194)	(13,534)	(2,088)	(16,046)
Closing net book amount	877	22,309	352	72,843	6,132	102,513
At 31 March 2025						
Cost	1,910	22,471	1,875	127,950	15,594	169,800
Accumulated depreciation	(1,033)	(162)	(1,523)	(55,107)	(9,462)	(67,287)
Net book amount	877	22,309	352	72,843	6,132	102,513

14 PROPERTY AND EQUIPMENT *(Continued)*

Depreciation of the Group's property and equipment are recognised as follows:

	2025 **HK$'000**	2024 HK$'000
Cost of services	**15,783**	10,899
Administrative expenses	**263**	471
Depreciation charge for the year	**16,046**	11,370

As at 31 March 2025 and 2024, machineries and motor vehicles with net book value of HK$7,585,000 and HK$71,359,000 respectively were pledged as security for the Group's borrowings (Note 29).

At 31 March 2025, certain of the Group's building with a net carrying value of approximately HK$17,254,000 (2024: Nil), were pledged to secure bank loans granted to the Group (Note 29).

Accounting policies of property and equipment

Property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation on assets is calculated using the straight-line method to allocate their costs net of their residual values over their estimated useful lives, as follows:

Leasehold improvement	Over the lease term or 5 years, whichever is shorter
Building	22 years
Office equipment and furniture	5 years
Machineries	5–10 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of profit or loss.

14 PROPERTY AND EQUIPMENT *(Continued)*

Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

15 LEASES

(a) Right-of-use assets

	Leasehold land HK$'000	Leased premises HK$'000	Total HK$'000
As at 1 April 2023			
Cost	—	12,151	12,151
Accumulated depreciation	—	(8,829)	(8,829)
Net book amount	—	3,322	3,322
Year ended 31 March 2024			
Opening net book amount	—	3,322	3,322
Addition	—	1,902	1,902
Depreciation charge (Note 7)	—	(2,460)	(2,460)
Closing net book amount	—	2,764	2,764
As at 31 March 2024			
Cost	—	14,053	14,053
Accumulated depreciation	—	(11,289)	(11,289)
Net book amount	—	2,764	2,764
Year ended 31 March 2025			
Opening net book amount	—	2,764	2,764
Addition	31,330	10,499	41,829
Depreciation charge (Note 7)	(241)	(3,453)	(3,694)
Closing net book amount	31,089	9,810	40,899
As at 31 March 2025			
Cost	31,330	24,552	55,882
Accumulated depreciation	(241)	(14,742)	(14,983)
Net book amount	31,089	9,810	40,899

15 LEASES *(Continued)*

(a) Right-of-use assets *(Continued)*

The right-of-use assets represent the Group's rights to use underlying leased premises and leasehold land under lease arrangements over the lease terms from 3 to 50 years. They are stated at cost less accumulated depreciation and accumulated impairment losses.

At 31 March 2025, certain of the Group's Leasehold land with a net carrying value of approximately HK$26,074,000 (2024: Nil), were pledged to secure bank loans granted to the Group (Note 29).

(b) Lease liabilities

	2025 **HK$'000**	2024 HK$'000
Current portion	**4,521**	1,954
Non-current portion	**5,370**	813
	9,891	2,767

The interest rate of each lease contracts is fixed at its contract date, and the interest rate of all the lease liabilities was 3.4% and 4.6% per annum as at 31 March 2025 and 2024 respectively.

The total cash outflows for leases including payments of short-term leases, lease liabilities and payments of interest expenses on leases for the years ended 31 March 2025 and 2024 were approximately HK$29,709,000 and HK$30,111,000 respectively.

(c) Amount recognised in the consolidated statement of profit or loss

	2025 **HK$'000**	2024 HK$'000
Depreciation of right-of-use assets as included in:		
— Cost of services	**929**	1,014
— Administrative expenses	**2,765**	1,446
	3,694	2,460
Interest expenses on lease liabilities for the year (Note 10)	**(225)**	(98)
Expenses relating to short-term machinery leases (Note 7)	**23,462**	24,760
Expenses relating to other short-term leases (Note 7)	**2,617**	2,701

15 LEASES *(Continued)*

Accounting policies of leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Such determination is made on an evaluation of the substance of the arrangement, regardless of whether the arrangements take the legal form of a lease.

The Group enters into lease agreements as a lessee with respect to certain premises.

Leases are initially recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's estimated useful life and the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option; and
- lease payments to be made under reasonably certain extension options are also included in the measurement of lease liabilities.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentive received;
- any initial direct costs; and
- restoration costs, if any.

15 LEASES *(Continued)*

Accounting policies of leases *(Continued)*

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of printers and photocopiers.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices and accounts for separately.

Some of the property leases include extension options. These terms are used to maximise operational flexibility in terms of managing contracts. The extension options held are exercisable only by the Group and not by the respective lessor. The Group considers all facts and circumstances that create an economic incentive to exercise an extension option in determining the lease term. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects the assessment.

16 INTANGIBLE ASSETS

	Software	Construction License	Total
	HK$'000	HK$'000	HK$'000
Year ended 31 March 2024			
Opening and closing net book amount	—	1,620	1,620
At 1 April 2023 and 31 March 2024			
Cost	—	1,620	1,620
Accumulated amortisation	—	—	—
Net book amount	—	1,620	1,620
Year ended 31 March 2025			
Opening net book amount	—	1,620	1,620
Additions	1,246	—	1,246
Amortisation (Note 7)	(52)	—	(52)
Closing net book amount	1,194	1,620	2,814
At 31 March 2025			
Cost	1,246	1,620	2,866
Accumulated amortisation	(52)	—	(52)
Net book amount	1,194	1,620	2,814

Management carried out impairment assessments annually on a business unit in the civil engineering segment as the cash-generating unit ("**CGU**") utilising this construction license by determining its recoverable amounts based on the higher of fair value less costs of disposal and value-in-use ("**VIU**") calculation.

Based on the impairment testing at the end of the reporting period, the management considers that there is no impairment of the Group's construction license.

Accounting policies of intangible assets

Construction license acquired is recognised at fair value at the acquisition date. Licence that has indefinite useful lives are not amortised as renewal of license is expected upon expiry. They are subject to impairment testing annually or more frequently if events or changes in circumstances indicate a potential impairment. Software is amortised over a period of 3 to 5 years or the estimated useful life, whichever is shorter. Software is tested for impairment when there is indication of impairment.

17 SUBSIDIARIES

The directors are of the opinion that a complete list of the particulars of all the subsidiaries will be of excessive length and therefore the following list contains only the particulars of the subsidiaries which materially affect the results or assets of the Group.

Particulars of the particular subsidiaries as at 31 March 2025 and 2024 are shown as follows:

Name of companies	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares held by the Company (%)		Proportion of ordinary shares held by the Group (%)	
				2025	2024	**2025**	2024
Directly held:							
Wing Lee Green Technology Limited	British Virgin Islands, limited company	Investment holding in British Virgin Islands	50,000 ordinary shares	**100%**	N/A	**100%**	N/A
Indirectly held:							
Wing Lee Group (Holdings) Limited	Hong Kong, limited company	Investment holding in Hong Kong	10,000 ordinary shares	**–**	–	**100%**	100%
Kaiser Construction Engineering Company Limited	Hong Kong, limited company	Construction in Hong Kong	11,400,000 ordinary shares	**–**	–	**100%**	100%
Wing Lee New Energy Limited (formerly known as Sum Hing Construction Limited)	Hong Kong, limited company	Construction in Hong Kong	100 ordinary shares	**–**	–	**100%**	100%
Sum Hing Trading Limited	Hong Kong, limited company	Trading of construction materials in Hong Kong	20,000 ordinary shares	**–**	–	**100%**	100%
Tai Shan Engineering & Construction Co., Limited	Hong Kong, limited company	Construction in Hong Kong	100 ordinary shares	**–**	–	**100%**	100%
Wing Lee Construction Limited	Hong Kong, limited company	Construction in Hong Kong	12,000,000 ordinary shares	**–**	–	**100%**	100%
Wing Lee Development (International) Limited	Hong Kong, limited company	Construction in Hong Kong	100 Ordinary shares	**–**	–	**100%**	100%

18 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets	**2025 HK$'000**	2024 HK$'000
Tax losses	**2,883**	2,210
Provisions	**627**	542
Decelerated tax depreciation	**30**	87
Total deferred tax assets	**3,540**	2,839
Set-off of deferred tax liabilities pursuant to set-off provisions	**(653)**	(596)
Net deferred tax assets	**2,887**	2,243

18 DEFERRED INCOME TAX *(Continued)*

Movements	Tax losses HK$'000	Provisions HK$'000	Decelerated tax depreciation HK$'000	Total HK$'000
At 1 April 2023	2,380	448	57	2,885
(Charged)/credited to the consolidated statement of profit or loss	(170)	94	30	(46)
At 31 March 2024 and 1 April 2024	2,210	542	87	2,839
Credited/(charged) to the consolidated statement of profit or loss	673	85	(57)	701
At 31 March 2025	2,883	627	30	3,540

Deferred tax liabilities	2025 HK$'000	2024 HK$'000
Accelerated tax depreciation and total deferred tax liabilities	**10,863**	8,224
Set-off of deferred tax assets pursuant to set-off provisions	**(653)**	(596)
Net deferred tax liabilities	**10,210**	7,628

Movements	Accelerated tax depreciation HK$'000
At 1 April 2023	6,244
Charged to the consolidated statement of profit or loss	1,980
At 31 March 2024 and 1 April 2024	8,224
Charged to the consolidated statement of profit or loss	2,639
At 31 March 2025	10,863

There is no significant unprovided deferred taxation as at 31 March 2025 (2024: Same).

19 FINANCIAL INSTRUMENTS BY CATEGORY

	2025 HK$'000	2024 HK$'000
Financial assets		
Financial assets at amortised cost		
— Trade receivables (Note 20)	**20,108**	48,191
— Other receivables and deposits (excluding prepayments) (Note 21)	**5,206**	5,671
— Pledged bank deposits (Note 24)	**19,922**	—
— Cash and cash equivalents (Note 24)	**93,676**	27,361
Total	**138,912**	81,223
Financial liabilities		
Financial liabilities at amortised cost		
— Trade and retention payables (Note 27)	**91,977**	79,419
— Accruals and other payables (excluding non-financial liabilities) (Note 28)	**30,115**	41,130
— Amounts due to a related party	**—**	100
— Borrowings (Note 29)	**62,284**	50,162
— Lease liabilities (Note 15(b))	**9,891**	2,767
Total	**194,267**	173,578

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3.

Accounting policies of financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

— those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and

— those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For financial assets that are not held for trading, this will depend on whether the Group have made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

19 FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

Accounting policies of financial assets *(Continued)*

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("**FVPL**"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Groups business model for managing the asset and the cash flow characteristics of the asset.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gain" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

The Group classifies all of its debt instruments as amortised cost as they were held for collection of contractual cash flows and where those cash flows represent solely payments of principal and interest.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

See Note 3.1(b) for further details.

20 TRADE RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade receivables, gross	**24,545**	53,279
Less: provision for impairment	**(4,437)**	(5,088)
Trade receivables, net	**20,108**	48,191

The ageing analysis of the trade receivables based on invoice date is as follows:

	2025 HK$'000	2024 HK$'000
Within 30 days	**16,041**	39,598
31–60 days	**2,121**	2,593
61–90 days	**271**	—
91–180 days	**892**	1,274
Over 180 days	**5,220**	9,814
	24,545	53,279

The credit terms provided to customers range from 7 days to 60 days. The Group's trade receivables are denominated in HK$.

21 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 HK$'000	2024 HK$'000
Prepayments	**7,255**	2,442
Deferral of listing fee related to issuance of new shares	**—**	1,511
Other receivables	**961**	2,959
Deposits	**4,245**	2,712
	12,461	9,624
Less: Non-current	**(6,456)**	(525)
Current portion	**6,005**	9,099

The Group's other receivables and deposits are denominated in HK$.

The carrying amounts of trade and other receivables approximate to their fair values.

22 CONTRACT ASSETS AND CONTRACT LIABILITIES

Included in contract assets/(liabilities) are the following:

	2025 HK$'000	2024 HK$'000
Contract assets		
Unbilled revenue	**240,970**	178,843
Billed retention receivables	**37,200**	16,506
Total contract assets	**278,170**	195,349
Less: provision for impairment		
— Unbilled revenue	**(6,475)**	(7,158)
— Billed retention receivables	**(1,002)**	(296)
Contract assets, net	**270,693**	187,895
Contract liabilities	**—**	(4,073)

Notes:

Contract assets relating to construction services consist of unbilled amount resulting from construction when the revenues recognised exceeds the amount billed the customer. The contract assets are transferred to trade receivables when the rights become unconditional.

A contract liability represents the Group's obligation to transfer the aforesaid services to a customer for which the Group has received consideration from the customer.

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

The settlement analysis of contract assets and contract liabilities based on project cycle was as follows:

	2025 HK$'000	2024 HK$'000
Unbilled revenue:		
To be recovered within twelve months	**240,970**	178,843
Contract liabilities:		
To be recognised as revenue within twelve months	**—**	(4,073)

22 CONTRACT ASSETS AND CONTRACT LIABILITIES *(Continued)*

Retention receivables are settled in accordance with the terms of the respective contracts. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion, the expiry of the defect liability period or a pre-agreed time period. In the consolidated statement of financial position, retention receivables were classified as current assets based on its normal operating cycle. The settlement analysis of these retention receivables based on the terms of related contracts was as follows:

	2025 HK$'000	2024 HK$'000
To be recovered within twelve months	**9,717**	4,172
To be recovered more than twelve months after the end of the reporting period	**27,483**	12,334
	37,200	16,506

Accounting policies of contract assets and liabilities

When either party to a contract has performed, the Group presents the contract in the Statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for the services that the Group has transferred to a customer. If the value transferred to customers by the Group exceed the payment received or receivable, a contract asset is recognised. Contract assets are assessed for impairment under the same approach adopted for impairment assessment of trade receivables.

A contract liability is the Group's obligation to render the services to a customer for which the Group has received consideration from the customer. A contract liability is recognised by the Group when the customer pays consideration in advance before the Group renders the service to the customer.

On the consolidated statement of financial position, the Group reports the net contract position for each contract as either an asset or a liability.

23 INVENTORIES

	2025 HK$'000	2024 HK$'000
Solar panels	**459**	469

The cost of inventories recognised as expense and included in cost of services amounted to HK$116,503,000 and HK$66,333,000 for the years ended 31 March 2025 and 2024 respectively.

24 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	2025 HK$'000	2024 HK$'000
Cash at banks	**93,676**	26,816
Cash on hand	**—**	545
Pledged bank deposits	**19,922**	—
Cash and cash equivalents	**113,598**	27,361

The carrying amounts of cash and cash equivalents and pledged bank deposits are denominated in the following currencies:

	2025 HK$'000	2024 HK$'000
HK$	**112,427**	27,343
Renminbi ("**RMB**")	**1,171**	18
	113,598	27,361

As at 31 March 2025, the Group's bank deposits of HK$19,922,000 (2024: Nil) was pledged to secure a banking facility for a performance bonds in relation to certain construction contracts (Notes 29 and 34).

The carrying amount of the Group's cash and cash equivalents approximated to its fair value as at 31 March 2025 and 2024. The cash and cash equivalents earn interest at floating rates based on daily bank deposit rates.

25 SHARE CAPITAL

	Number of shares HK$'000	Share capital HK$'000
Authorised:		
At 17 May 2024 (Date of incorporation)	38,000,000	380,000
Changes (Note i)	1,462,000,000	14,620,000
At 31 March 2025	1,500,000,000	15,000,000
Issued:		
At 17 May 2024 (Date of incorporation)	1	—
Share issued pursuant to the Reorganisation	999	10
Shares issued pursuant to Capitalisation Issue (Note ii)	749,999,000	7,499,990
Shares issued pursuant to the Share Offer (Note iii)	250,000,000	2,500,000
At 31 March 2025	1,000,000,000	10,000,000

(i) Increase of authorised share capital

Pursuant to the written resolution of the Shareholders dated 20 September 2024, the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 shares of par value of HK$0.01 each to HK$15,000,000 divided into 1,500,000,000 shares of par value of HK$0.01 each by the creation of an additional 1,462,000,000 shares of par value of HK$0.01 each.

(ii) Capitalisation issue

On 9 October 2024, the capitalisation issue pursuant to the Shareholders' resolution dated 20 September 2024 was effected. The Company issued 749,999,000 shares at par value of HK$0.01 each to holders of shares on the register of members of the Company on 9 October 2024, by way of capitalisation of an amount of HK$7,499,990 from the share premium account of the Company.

(iii) Share Offering

On 9 October 2024, the Company issued a total of 250,000,000 shares by way of Hong Kong public offering at a price of HK$0.73 each and successfully listed its shares on the Main Board of the Stock Exchange, totaling proceeds of approximately HK$182,500,000. After expenses deduction of HK$32,500,000 underwriting fees and related expense, the net proceed was approximately HK$150,000,000.

26 OTHER RESERVES

Other reserve movements of the Group

The reserve movements of the Group is as follows:

	Share premium HK$'000	Capital reserve Note (i) HK$'000	Other reserves HK$'000	Retained earnings HK$'000	Total HK$'000
Balance as at 1 April 2023	—	4,719	199	114,067	118,985
Comprehensive income					
Profit for the year	—	—	—	76,907	54,507
Other comprehensive loss					
Item that will not be reclassified subsequently to profit or loss:					
Remeasurements of post-employment benefit obligations	—	—	(29)	—	(29)
Total comprehensive income	—	—	(29)	76,907	76,878
Transactions with owners in their capacity as owners:					
Dividend declared (Note 13)	—	—	—	(40,481)	(40,481)
Balance as at 31 March 2024	—	4,719	170	150,493	155,382
Balance as at 1 April 2024	**—**	**4,719**	**170**	**150,493**	**155,382**
Comprehensive income					
Profit for the year	**—**	**—**	**—**	**55,458**	**55,458**
Other comprehensive loss					
Item that will not be reclassified subsequently to profit or loss:					
Remeasurements of post-employment benefit obligations	**—**	**—**	**(719)**	**—**	**(719)**
Total comprehensive income	**—**	**—**	**(719)**	**55,458**	**54,739**
Transactions with owners in their capacity as owners:					
Reorganisation	**—**	**10**	**—**	**—**	**10**
Capitalisation issue	**(7,500)**	**—**	**—**	**—**	**(7,500)**
Shares issued under the share offering	**180,000**	**—**	**—**	**—**	**180,000**
Share issue costs	**(11,038)**	**—**	**—**	**—**	**(11,038)**
Dividend declared (Note 13)	**—**	**—**	**—**	**(30,000)**	**(30,000)**
	161,462	**10**	**—**	**(30,000)**	**131,472**
Balance as at 31 March 2025	**161,462**	**4,729**	**(549)**	**175,951**	**341,593**

26 OTHER RESERVES *(Continued)*

Other reserve movements of the Group *(Continued)*

Note (i)

The capital reserve of the Group represented consolidated share reserve of the companies now comprising the Group, after elimination of intercompany transactions and balances.

27 TRADE AND RETENTION PAYABLES

	2025	2024
	HK$'000	HK$'000
Trade payables	**80,368**	72,576
Retention payables	**11,609**	6,843
	91,977	79,419

The trade and retention payables are denominated in HK$ and the carrying amounts approximate their fair values.

As at 31 March 2025 and 2024, the ageing analysis of the trade and retention payables based on invoice date is as follows:

Trade payables

	2025	2024
	HK$'000	HK$'000
Within 30 days	**36,336**	32,370
31–60 days	**10,750**	11,782
61–90 days	**19,580**	3,725
Over 90 days	**13,702**	24,699
	80,368	72,576

Retention payables

	2025	2024
	HK$'000	HK$'000
Within 30 days	**45**	524
31–60 days	**239**	496
61–90 days	**37**	433
Over 90 days	**11,288**	5,390
	11,609	6,843

28 ACCRUALS, PROVISION AND OTHER PAYABLES

	2025 HK$'000	2024 HK$'000
Non-current liabilities:		
Payable for purchase of property and equipment	**—**	6,727
Provision for long service payment	**1,049**	313
	1,049	7,040

	2025 HK$'000	2024 HK$'000
Current liabilities:		
Payable for purchase of property and equipment	**8,102**	23,267
Accrued employee benefit expenses	**12,097**	12,145
Accrued listing expense	**—**	3,142
Other accruals	**4,408**	536
Other payable	**17,605**	7,458
	42,212	46,548

The accruals, provision and other payables are denominated in HK$ and the carrying amounts approximate their fair values.

Provision for long service payment represents the long service payment obligations for its employees in Hong Kong.

Pension costs are assessed using the projected unit credit cost method. The pension costs are spread over the service lives of employees. A full valuation of the defined benefit obligation based on the projected unit credit cost method has been carried out by the valuer, an independent qualified actuary.

The amounts recognised in the consolidated statement of financial position are determined as follows:

	2025 HK$'000	2024 HK$'000
Present value of the long service payment provision	**1,049**	313

28 ACCRUALS, PROVISION AND OTHER PAYABLES *(Continued)*

Movements in the present value of the long service payment provision are as follows:

	2025 HK$'000	2024 HK$'000
At beginning of the year	**313**	269
Current service costs	**45**	39
Past service costs	**(32)**	(26)
Interest expenses	**4**	2
Total-included in employee benefit expenses (Note 8)	**17**	15
Remeasurement:		
— Loss from changes in financial assumptions	**719**	29
At end of the year	**1,049**	313

The principal actuarial parameters used are as follows:

	2025 HK$'000	2024 HK$'000
Discount rate	**2.8%–3.5%**	2.9%–4.7%
Expected salary increases	**0%**	0%

The sensitivity of the defined benefit obligation to changes in significant parameters is:

	Change in assumption	**Impact on defined benefit obligation**	
		2025	2024
Discount rate	Increase by 1%	**Decrease by 11.2%**	Decrease by 1.0%
	Decrease by 1%	**Increase by 13.6%**	Increase by 1.1%
Expected inflation rate	Increase by 1%	**Increase by 0.0%**	Increase by 0.0%
	Decrease by 1%	**Decrease by 0.0%**	Decrease by 0.0%

The above sensitivity analyses are based on a change in an assumption while holding all other parameters constant. In practice, it is unlikely to occur, and changes in some of the parameters may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial parameters the same method (present value of the defined benefit obligation calculated with the projected unit credit cost method at the year end date) has been applied as when calculating the pension liability recognised within the consolidated statement of financial position.

29 BORROWINGS

	2025 HK$'000	2024 HK$'000
Guaranteed		
— Bank loans	**56,096**	34,905
Secured		
— Hire purchases	**6,188**	15,257
	62,284	50,162
Less: Non-current		
— Hire purchases	**(4,051)**	(7,959)
Current borrowings	**58,233**	42,203

The borrowings are denominated in HK$ and bear interest mainly at floating rates that are market dependent.

The table below analyses the borrowings of the Group into relevant maturity groupings based on the remaining period at the year end to the contractual maturity date without taking into consideration the effect of repayment on demand clause.

	2025 HK$'000	2024 HK$'000
Borrowings repayable:		
Within 1 year	**13,666**	20,164
Between 1–2 years	**15,387**	7,729
Between 2–5 years	**3,571**	6,446
Over 5 years	**23,472**	566
	56,096	34,905

The carrying amounts of the borrowings approximate their fair values. The weighted average interest rates are 5.0% and 5.0% per annum as at 31 March 2025 and 2024, respectively.

Under the terms of certain bank borrowing, as at 31 March 2025, the Group is required to comply with certain non-financial covenants at the end of the reporting period. If the loan against the market value of leasehold land and building exceed 80%, the Group would be required to restore the ratio to 70% within 30 calendar days (Note 14 and 15).

The Group has complied with these covenants throughout the reporting period. There are no indications that the Group would have difficulties complying with the covenants.

As at 31 March 2025 and 2024, all hire purchases are secured by certain property and equipment held by the Group (Note 14). The bank loans of HK$30,206,000 are secured by mortgages on the group's leasehold land and buildings, which are included in assets classified as property and equipment (note 14) and right-of-use assets (note 15(a)).

As at 31 March 2025, the Group's performance bond facilities was pledged by bank deposits of HK$19,922,000 in relation to the certain construction contracts of the Group (Notes 24 and 34).

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before income tax to cash generated from operations

	2025 HK$'000	2024 HK$'000
Profit before income tax	**68,253**	92,916
Adjustments for:		
Depreciation of property and equipment (Note 14)	**16,046**	11,370
Depreciation of right-of-use assets (Note 15(a))	**3,694**	2,460
Amortisation of intangible asset (Note 16)	**52**	—
Finance income (Note 10)	**(96)**	—
Finance costs (Note 10)	**2,371**	2,367
Gain on disposal of property and equipment (Note 6)	**(172)**	(10)
Write-off of property and equipment	**—**	4
Provision for long service payment	**17**	15
Reversal of impairment on trade receivables	**(651)**	(743)
Provision for impairment on contract assets	**23**	569
Operating profit before changes in working capital	**89,537**	108,948
Changes in working capital:		
Inventories	**10**	(469)
Contract assets	**(82,820)**	(53,917)
Trade receivables	**28,734**	(10,499)
Deposits, prepayments and other receivables	**(4,348)**	(3,345)
Trade and retention payables	**12,558**	34,330
Accruals, provision and other payables	**(7,922)**	12,718
Contract liabilities	**(4,073)**	3,508
Cash generated from operations	**31,676**	91,274

(b) In the consolidated statement of cash flows, proceeds from disposals of property and equipment comprise:

	2025 HK$'000	2024 HK$'000
Net book amount	**—**	—
Gain on disposal of property and equipment	**172**	10
Proceeds from disposal of property and equipment	**172**	10

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(c) Reconciliation of liabilities arising from financing activities

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

	Borrowings HK$'000	**Lease liabilities** HK$'000	**Amount due to related party** HK$'000	**Total** HK$'000
As at 1 April 2023	49,789	3,417	197	53,403
Cash flows	(1,896)	(2,650)	(97)	(4,643)
Other non-cash movements				
— Additions	—	1,902	—	1,902
— Accrued interest	2,269	98	—	2,367
As at 31 March 2024	50,162	2,767	100	53,029
As at 1 April 2024	**50,162**	**2,767**	**100**	**53,029**
Cash flows	**9,976**	**(3,600)**	**(100)**	**6,276**
Other non-cash movements				
— Additions	**—**	**10,499**	**—**	**10,499**
— Accrued interest	**2,146**	**225**	**—**	**2,371**
As at 31 March 2025	**62,284**	**9,891**	**—**	**72,175**

31 RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related to the Group if the party has the ability, directly or indirectly, to control the other party, to joint control over the party or to exercise significant influence over the Group in making financial and operating decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholder and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

(a) The directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group during the Year:

Name of related parties	Relationship of related parties
On Shing Construction Limited	Controlled by a member of key management personnel
Kai Fung Construction Co., Limited	Controlled by Mr. Yiu Fai

(b) Balance with a related party

	2025 HK$'000	2024 HK$'000
Amount due to a related party		
Mr. Yiu Fai	—	100

The amount due to a related party is unsecured, interest-free and repayable on demand. The amounts due to related parties was mainly non-trade in nature except for those arising from trade transactions disclosed in Note 31(c).

(c) Transaction with related parties

	2025 HK$'000	2024 HK$'000
Purchase of goods and services		
Kai Fung Construction Co., Limited	—	4
Rental payment on machinery leases		
On Shing Construction Limited	—	195
Solar PV system revenue		
Kai Fung Construction Co., Limited	—	23

31 RELATED PARTY BALANCES AND TRANSACTIONS *(Continued)*

(c) Transaction with related parties *(Continued)*

A director of the Group provided personal guarantee for the Group's banking facilities during the years ended 31 March 2024.

The transactions were conducted in the normal course of business at prices and terms as agreed between the Group and the related parties.

(d) Key management compensation

Key management include executive directors and the senior management of the Group. The compensation paid or payable to key management (excluded the executive directors) for employee services is shown below:

	2025	2024
	HK$'000	HK$'000
Salaries, wages and bonuses	**4,965**	3,961
Discretionary bonuses	**3,828**	—
Pension costs — defined contribution plan	**72**	87
	8,865	4,048

32 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Property and equipment		
Not later than one year	**24,791**	3,112

33 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

	2025 HK$'000
ASSETS	
Non-current assets	
Investment in subsidiaries	**6,216**
Current assets	
Amounts due from subsidiaries	**149,046**
Cash and cash equivalents	**24,052**
Total current assets	**173,098**
Total assets	**179,314**
EQUITY	
Equity attributable to owners of the Company	
Share capital	**10,000**
Reserves (a)	**167,814**
Total equity	**177,814**
LIABILITIES	
Current liabilities	
Other payables and accruals	**1,500**
Total liabilities	**1,500**
Total equity and liabilities	**179,314**

The statement of financial position of the Company has been approved by the Board of Directors on 25 June 2025 and has been signed on behalf.

.....
Yiu Wang Lee
Director

.....
Chan Lo Man
Director

33 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

(a) Reserve movement of the Company

	Share Premium HK$'000	Retained earnings HK$'000	Other reserves HK$'000	Total HK$'000
At 17 May 2024 (incorporated date)	—	—	—	—
Profit for the year	—	30,136	—	30,136
Reorganisation	—	—	6,216	6,216
Dividend declared	—	(30,000)	—	(30,000)
Capitalisation Issue	(7,500)	—	—	(7,500)
Shares issued under share offering	180,000	—	—	180,000
Share issue costs	(11,038)	—	—	(11,038)
At 31 March 2025	161,462	136	6,216	167,814

34 CONTINGENT LIABILITIES

As at 31 March 2025, the Group has given guarantees on performance bonds in respect of construction contracts in the ordinary course of business amounting to HK$19,922,000 (2024: Nil). The performance bonds as at 31 March 2025 are expected to be released in accordance with the terms of the respective construction contracts. (Notes 24 and 29). The management considers that it is not probable that a claim would be made against the Group under the performance bonds guarantees.

35 EVENTS AFTER THE REPORTING PERIOD

On 1 April 2025, the Group entered into a purchase agreement with a vendor for acquisition of machineries at a consideration of HK$1,732,000. The purchase, when aggregated with the previous purchases from the same vendor since the Listing Date and up to the date of the purchase agreement, constitutes a disclosable transaction for the Company under Chapter 14 of the Listing Rules. Details of the purchase agreement, please refer to the announcements of the Company dated 1 April 2025.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

36.1 Segment reporting

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Group that makes strategic decisions.

36.2 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

36.3 Offsetting financial instruments

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

36.4 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See Note 3.1(a)(ii) for a description of the Group's impairment policies.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

36.5 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and bank deposits with original maturities of three months or less, and bank overdrafts.

36.6 Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on the first-in, first-out basis. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

36.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

36.8 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

36.9 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the period-end date.

36.10 Borrowings costs

General borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are charged to the profit or loss in the period in which they are incurred.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

36.11 Current and deferred income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statement. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

36.12 Employee benefits

(a) Retirement benefit obligations

The Group operates a defined contribution Mandatory Provident Fund Scheme (the "**MPF Scheme**") which is registered under the Mandatory Provident Fund Schemes Ordinance in Hong Kong. Both the Group and the staff are required to contribute 5% of the employees' relevant income with a ceiling of HK$1,500 per month to the MPF scheme. The assets of the MPF Scheme are held in a separately administered fund. The Group's contributions to the MPF scheme are expensed as incurred.

The Group has no further payment obligations once the contribution has been paid. The contributions are recognised as employee benefit expense when they are due.

(b) Bonus

The Group recognises a liability and an expense for where contractually obliged or where there is a past practice that has created a constructive obligation.

(c) Long service payments

The Group's net obligation in respect of long service payments to its employees in Hong Kong upon cessation of their employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefits that the employees have earned in return for their services in the current and prior periods.

The obligation is calculated using the projected unit credit cost method, discounted to its present value and reduced by entitlements accrued under the Group's retirement schemes that are attributed to contributions made by the Group, before the effective date of Abolition of MPF Offsetting Arrangement. The discount rate is the yield at each balance sheet date of Hong Kong Government's Exchange Fund Bills which have terms to maturity approximating the terms of the related liability. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans.

The current service cost of the defined benefit plan, recognised in the consolidated statement of profit or loss in employee benefit expense reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

Past-service costs are recognised immediately in consolidated statement of profit or loss.

The interest expenses are calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated income statement.

Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

36.13 Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

36.14 Dividend distribution

Dividend distribution to the shareholders of the Company is recognised as a liability in the consolidated and company financial statements in the period in which the dividends are approved by the shareholders or directors, where appropriate.

Dividend proposed or declared after the reporting period but before the financial statements are authorised for issue, are disclosed as a non-adjusting event and are not recognised as liability at the end of the reporting period.

36.15 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated statement of profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

36.16 Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised within "Other income" in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property and equipment are offset against the costs of the related assets.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

36.17 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares.
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share taking into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Four-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last four financial years, as extracted from the published financial statements, is set out as below. This summary does not form part of the audited financial statements.

	Year ended 31 March			
	2022	2023	2024	**2025**
	HK$'000	HK$'000	HK$'000	**HK$'000**
Revenue	520,351	361,207	526,099	**716,639**
Cost of services	(426,738)	(285,674)	(404,492)	**(572,232)**
Gross profit	93,613	75,533	121,607	**144,407**
General and administrative expenses	(20,360)	(22,827)	(23,561)	**(60,593)**
(Impairment loss)/reversal of impairment on financial assets, net	(3,176)	(8,641)	174	**628**
Other income	1,353	5,423	1,933	**2,430**
Other gains	414	75	10	**172**
Listing expenses	—	—	(4,880)	**(16,516)**
Operating profit	71,844	49,563	95,283	**70,528**
Finance costs, net	(1,334)	(1,916)	(2,367)	**(2,275)**
Profit before income tax	70,510	47,647	92,916	**68,253**
Income tax expense	(11,455)	(7,082)	(16,009)	**(12,795)**
Profit for the year	59,055	40,565	76,907	**55,458**

	Year ended 31 March			
	2022	2023	2024	**2025**
	HK$'000	HK$'000	HK$'000	**HK$'000**
Total assets	268,831	258,385	365,777	**569,216**
Total liabilities	(190,380)	(139,390)	(210,385)	**(217,623)**
Net assets	78,451	118,995	155,392	**351,593**