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TIAN CHENG HOLDINGS LIMITED

天成控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2110)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 MAY 2025

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately HK\$202.8 million (FY2024: approximately HK\$223.3 million), representing an decrease of approximately 9.2%.
- Revenue from marine construction works segment decreased by approximately 17.2% to approximately HK\$154.4 million (FY2024: approximately HK\$186.4 million).
- Revenue from other civil engineering works segment increased by approximately 244.8% to approximately HK\$37.3 million (FY2024: approximately HK\$10.8 million).
- Revenue from vessel chartering services segment decreased by approximately 66.5% to approximately HK\$7.2 million (FY2024: approximately HK\$21.5 million).
- Revenue from health and wellness services segment decreased by approximately 15.6% to approximately HK\$3.9 million (FY2024: approximately HK\$4.6 million).
- Net loss for the year attributable to equity shareholders of the Company amounted to approximately HK\$34.5 million (FY2024: approximately HK\$44.1 million).
- Basic and diluted loss per share for the year amounted to approximately HK\$11.86 cents (FY2024: approximately HK\$17.42 cents).

The board (the “**Board**”) of directors (the “**Director(s)**”) of Tian Cheng Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively refer to as the “**Group**”) for the year ended 31 May 2025 (the “**Year**”), together with the comparative figures for the corresponding year ended 31 May 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 May 2025

| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
|---|-------|------------------------|------------------|
| Revenue | 4(a) | 202,785 | 223,331 |
| Direct costs | | <u>(216,459)</u> | <u>(255,195)</u> |
| Gross loss | | (13,674) | (31,864) |
| Other income and (losses), net | 5 | (471) | 4,734 |
| General and administrative expenses | | (17,923) | (16,469) |
| Impairment losses of property, plant and equipment | | (497) | (3,143) |
| Impairment losses of right-of-use assets | | (515) | (417) |
| (Impairment losses)/reversal of impairment losses under expected credit losses model, net | | (1,632) | 1,545 |
| Equity-settled share-based payment expenses | | <u>(979)</u> | <u>–</u> |
| Loss from operations | | (35,691) | (45,614) |
| Finance costs | 6(a) | <u>(175)</u> | <u>(276)</u> |
| Loss before taxation | 6 | (35,866) | (45,890) |
| Income tax credit | 7 | <u>1,382</u> | <u>1,754</u> |
| Loss for the year | | <u>(34,484)</u> | <u>(44,136)</u> |
| Other comprehensive expense | | | |
| Item that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences arising from translation of foreign operations | | <u>(17)</u> | <u>(20)</u> |
| Total comprehensive expense for the year | | <u>(34,501)</u> | <u>(44,156)</u> |
| | | HK cents | HK cents |
| Loss per share | | | |
| Basic and diluted | 9 | <u>(11.86)</u> | <u>(17.42)</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 May 2025

| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
|---|-------|----------------------|----------------------|
| Non-current assets | | | |
| Property, plant and equipment | | 18,899 | 40,978 |
| Deferred tax assets | | 312 | 621 |
| | | <u>19,211</u> | <u>41,599</u> |
| Current assets | | | |
| Inventories | | 627 | – |
| Contract assets | | 25,450 | 15,260 |
| Trade and other receivables, deposits and prepayments | 10 | 10,925 | 34,784 |
| Cash and cash equivalents | | 25,347 | 25,822 |
| | | <u>62,349</u> | <u>75,866</u> |
| Current liabilities | | | |
| Trade and other payables | 11 | 29,973 | 32,918 |
| Lease liabilities | | 2,393 | 2,558 |
| Amount due to a director | | 2,340 | 1,340 |
| | | <u>34,706</u> | <u>36,816</u> |
| Net current assets | | <u>27,643</u> | <u>39,050</u> |
| Total assets less current liabilities | | <u>46,854</u> | <u>80,649</u> |
| Non-current liabilities | | | |
| Employee benefit obligations | | 565 | – |
| Lease liabilities | | 162 | 2,393 |
| Deferred tax liabilities | | 2,667 | 4,352 |
| | | <u>3,394</u> | <u>6,745</u> |
| Net assets | | <u><u>43,460</u></u> | <u><u>73,904</u></u> |
| Capital and reserves | | | |
| Share capital | 12 | 30,000 | 26,688 |
| Reserves | | 13,460 | 47,216 |
| Total equity | | <u><u>43,460</u></u> | <u><u>73,904</u></u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 May 2025

1. CORPORATE INFORMATION

Tian Cheng Holdings Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands on 24 May 2018 with limited liability under the Companies Act (as revised) of the Cayman Islands. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 7 December 2020. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report. The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in marine construction works, other civil engineering works, vessel chartering services, and health and wellness services.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Application of amendments to HKFRS Accounting Standards

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which are effective for the Group’s financial year beginning 1 June 2024:

| | |
|----------------------------------|---|
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangement |

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

Impact on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”); and Amendments to HKAS 1 – Non-current Liabilities with Covenants (the “2022 Amendments”)

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The amendments had no impact on the consolidated financial statements of the Group.

New and amendments to HKFRS Accounting Standards issued but not yet effective

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

| | |
|---|--|
| HKFRS 18 | Presentation and Disclosure in Financial Statements ³ |
| HKFRS 19 | Subsidiaries without Public Accountability: Disclosures ³ |
| Amendments to HKAS 21 | Lack of Exchangeability ¹ |
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments ² |
| Annual Improvements to HKFRS Accounting Standards – Volume 11 | Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ² |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴ |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity ² |

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

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

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

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

The directors of the Company anticipate that, except as describe below, the application of the new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

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

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

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

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

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

Going concern assumption

The Group incurred a net loss of approximately HK\$34,484,000 and negative operating cash flow of approximately HK\$13,349,000 for the year ended 31 May 2025. Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis, the validity of the going concern basis is dependent upon the success of the Group’s future operations. These facts and circumstances indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability.

In order to improve the Group’s liquidity and cash flows to sustain the Group as a going concern, the directors of the Company are taking the following measures subsequent to the year ended 31 May 2025, including:

- Implementing various strategies to improve the cash flow status;
- Putting extra efforts on the collection of trade debtors to improve the debtors turnover days; and the Group has successfully received all outstanding balance amounting to approximately HK\$8,224,000 of trade debtors as at 31 May 2025;

- Actively seeking opportunities to engage in new construction projects;
- Monitoring and controlling administrative costs and future capital expenditures; and
- Considering to conduct fund raising exercises, such as share placement, with a view to increasing the Group's capitalisation/equity.

After taking into account the above measures, the directors of the Company consider that the Group will have sufficient working capital to finance its operations and financial obligations as and when they fall due and are satisfied that it is appropriate for the Group to prepare the consolidated financial statements on a going concern basis.

Should the going concern assumption be considered inappropriate, adjustments would have to be made in the consolidated financial statements to restate the values of the Group's assets to their recoverable amounts, to provide for any further liabilities that might arise and to reclassify noncurrent assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements.

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the provision of marine construction works, other civil engineering works, vessel chartering services and health and wellness services.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major service lines is as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Revenue from contracts with customers within the scope of HKFRS 15 | | |
| Disaggregated by major service lines | | |
| – Revenue from marine construction works | 154,445 | 186,432 |
| – Revenue from other civil engineering works | 37,250 | 10,804 |
| – Revenue from vessel chartering services | 7,186 | 21,470 |
| – Revenue from health and wellness services | 3,904 | 4,625 |
| | <u>202,785</u> | <u>223,331</u> |

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

Marine construction works: this segment involve reclamation works, submarine pipeline works, sediment treatment works as well as regulation and deposition of sand blanket works as a subcontractor to the Group's customers. Currently the Group's activities in this regard are carried out in Hong Kong.

Other civil engineering works: this segment include foundation works, site formation works and roads and drainage works. Currently the Group's activities in this regard are carried out in Hong Kong.

Vessel chartering services: this segment provides vessel chartering services in Hong Kong, including hiring of vessels and crews for a specific period of time.

Health and wellness services: this segment includes providing consulting services to customers, arranging healthcare consultation from specialist, and organising health and wellness seminars and sales of related products in the PRC.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. The measure used for reporting segment profit is gross profit. No inter-segment sales have occurred during the reporting periods. The Group's other income and expense items, such as general and administrative expenses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 May 2025 and 2024 is set out below:

Year ended 31 May 2025

| | Marine construction works HK\$'000 | Other civil engineering works HK\$'000 | Vessel chartering services HK\$'000 | Health and wellness services HK\$'000 | Total HK\$'000 |
|---|---|---|--|--|-------------------|
| Disaggregated by timing of revenue recognition and revenue from external customers | | | | | |
| Over time | 154,445 | 37,250 | 7,186 | – | 198,881 |
| At a point in time | – | – | – | 3,904 | 3,904 |
| Total | 154,445 | 37,250 | 7,186 | 3,904 | 202,785 |
| Reportable segment gross (loss)/profit | (20,224) | 3,174 | 2,417 | 959 | (13,674) |
| Depreciation for the year* | 6,344 | 478 | 662 | – | 7,484 |

Year ended 31 May 2024

| | Marine construction works HK\$'000 | Other civil engineering works HK\$'000 | Vessel chartering service HK\$'000 | Health and wellness services HK\$'000 | Total HK\$'000 |
|---|---|---|---|--|-------------------|
| Disaggregated by timing of revenue recognition and revenue from external customers | | | | | |
| Over time | 186,432 | 10,804 | 21,470 | 4,625 | 223,331 |
| Reportable segment gross (loss)/profit | (32,841) | (9,295) | 8,474 | 1,798 | (31,864) |
| Depreciation for the year* | 10,231 | 379 | 1,499 | – | 12,109 |

* Included in “Direct costs” in the consolidated statement of profit or loss and other comprehensive income.

(ii) *Reconciliation of reportable segment profit or loss*

| | Year ended 31 May | |
|--|--------------------------|-----------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Loss | | |
| Total reportable segment gross loss | (13,674) | (31,864) |
| Other income and (losses), net | (471) | 4,734 |
| General and administrative expenses | (17,923) | (16,469) |
| Impairment losses of property, plant and equipment | (497) | (3,143) |
| Impairment losses of right-of-use assets | (515) | (417) |
| (Impairment losses)/reversal of impairment losses under expected credit losses model, net | (1,632) | 1,545 |
| Equity-settled share-based payment expenses | (979) | – |
| Finance costs | (175) | (276) |
| Consolidated loss before taxation | (35,866) | (45,890) |

(iii) *Geographical information*

The Group's operations are mainly located in Hong Kong and the PRC.

Information about the Group's revenue from external customers is presented based on the location of the customers. Information about the Group's non-current assets is presented based on the location of the operations of relevant group entities. The following table sets out information about the geographical location of revenue from external customers and non-current assets:

| | Revenue from external customers | | Non-current assets* | |
|-----------|---------------------------------|------------------|---------------------|------------------|
| | 2025 HK\$'000 | 2024 HK\$'000 | 2025 HK\$'000 | 2024 HK\$'000 |
| The PRC | 3,904 | 4,625 | 348 | 749 |
| Hong Kong | 198,881 | 218,706 | 18,551 | 40,229 |
| | <u>202,785</u> | <u>223,331</u> | <u>18,899</u> | <u>40,978</u> |

* Non-current assets exclude deferred tax assets.

5. **OTHER INCOME AND (LOSSES), NET**

| | Year ended 31 May | |
|--|-------------------|------------------|
| | 2025 HK\$'000 | 2024 HK\$'000 |
| Bank interest income | 556 | 315 |
| Sundry income | 45 | 229 |
| Exchange gain | 35 | 140 |
| (Loss)/gain on disposal of plant and equipment | (1,107) | 3,150 |
| Income from sales of raw materials | – | 599 |
| Compensation from insurer | – | 265 |
| Government grants (<i>see note below</i>) | – | 18 |
| Gain on early termination of leases | – | 18 |
| | <u>(471)</u> | <u>4,734</u> |

Note: Government grants represent the government grants of Nil (2024: HK\$18,000) by PRC government authority to a subsidiary of the Group. There are no unfulfilled conditions and other contingencies attached to the receipts of those grants.

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

| | Year ended 31 May | |
|--|-------------------|------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Interest expenses on lease liabilities | <u>175</u> | <u>276</u> |

(b) Staff costs (including directors' emoluments)

| | Year ended 31 May | |
|---|-------------------|---------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Salaries, wages and other benefits | 50,758 | 51,812 |
| Contributions to retirement benefits scheme | 1,435 | 1,614 |
| Equity-settled share-based payment expenses | <u>979</u> | <u>–</u> |
| | <u>53,172</u> | <u>53,426</u> |

Staff costs of approximately HK\$44,612,000 (2024: approximately HK\$45,398,000) and approximately HK\$7,581,000 (2024: approximately HK\$8,028,000) are included in “Direct costs” and “General and administrative expenses” in the consolidated statement of profit or loss and other comprehensive income, respectively.

(c) Other items

| | Year ended 31 May | |
|---|-------------------|----------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Depreciation of property, plant and equipment | | |
| – owned property, plant and equipment | 7,373 | 11,703 |
| – right-of-use assets | <u>1,782</u> | <u>2,554</u> |
| | <u>9,155*</u> | <u>14,257*</u> |
| Auditor's remuneration | | |
| – audit services | 750 | 750 |
| Expense relating to short-term leases | <u>20,295</u> | <u>25,068</u> |

* Depreciation of approximately HK\$7,484,000 (2024: approximately HK\$12,109,000) and approximately HK\$1,671,000 (2024: approximately HK\$2,148,000) are included in “Direct costs” and “General and administrative expenses” in the consolidated statement of profit or loss and other comprehensive income, respectively.

7. INCOME TAX CREDIT

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

| | Year ended 31 May | |
|---|--------------------------|-----------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Current tax | | |
| Hong Kong Profits Tax | | |
| – Current tax | – | – |
| – Over provision in respect of prior year | (6) | – |
| PRC Enterprise Income Tax (“EIT”) | – | – |
| | <u>(6)</u> | <u>–</u> |
| Deferred tax | | |
| Origination and reversal of temporary differences | (1,376) | (1,754) |
| | <u>(1,382)</u> | <u>(1,754)</u> |

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group does not have any assessable profit in these jurisdictions during both years, and therefore has no income tax charge incurred in these countries.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements for both years as the subsidiaries in Hong Kong have no taxable profits.

Under the Law of the PRC on EIT (the “EIT Law”) and implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. No provision for PRC EIT has been made in the consolidated financial statements for both years as the subsidiaries in the PRC have no taxable profits.

8. DIVIDENDS

No dividend was paid or proposed for the years ended 31 May 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

9. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share for the year ended 31 May 2025 is based on the loss attributable to the owners of the Company of approximately HK\$34,484,000 (2024 loss attributable: approximately HK\$44,136,000) and the weighted average of approximately 290,654,000 (2024: 253,390,000) shares in issue during the year, calculated as follows:

| | Year ended 31 May | |
|--|--------------------------|-----------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Loss | | |
| Loss attributable to owners of the Company, used in basic and diluted loss per share calculation | (34,484) | (44,136) |

For the year ended 31 May 2025, the weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the placing of new shares on 12 September 2024.

For the year ended 31 May 2024, the weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the placing of new shares on 20 September 2023 and the share consolidation on 2 November 2023.

(b) Diluted loss per share

For the year ended 31 May 2025, the computation of diluted loss per share did not assume the exercise of the share options since the assumed exercise would be anti-dilutive which result is a decrease in loss per share.

There were no dilutive potential shares outstanding during the year ended 31 May 2024. Hence, the diluted loss per share is the same as basic loss per share.

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | As at 31 May | |
|---|----------------------|----------------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Trade receivables | 8,224 | 24,460 |
| Other receivables | 1,319 | 3,045 |
| Contract deposits (<i>see note below</i>) | 300 | 300 |
| Deposits and prepayments | 2,753 | 7,041 |
| | <u>12,596</u> | <u>34,846</u> |
| Less: Allowances for credit losses | | |
| – Trade receivables | (536) | (45) |
| – Other receivables and deposits | (1,135) | (17) |
| | <u>(1,671)</u> | <u>(62)</u> |
| Total | <u><u>10,925</u></u> | <u><u>34,784</u></u> |

Note: As at 31 May 2025, contract deposits of HK\$300,000 (2024: HK\$300,000) were placed to customers to guarantee for the due and proper performance of the obligations undertaken by the Group's subsidiary for a project.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables, based on the date of progress certificate or the date of billing and net of loss allowance, is as follows:

| | As at 31 May | |
|----------------|--------------|---------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Within 1 month | – | 9,525 |
| 1 to 2 months | 4,914 | 8,583 |
| 2 to 3 months | 2,774 | 4,832 |
| 3 to 6 months | – | 1,475 |
| | <u>7,688</u> | <u>24,415</u> |

Trade receivables are generally due within 30 to 60 days (2024: 30 to 60 days) from the date of progress certificate or the date of billing.

As at 31 May 2025, included in the Group's trade receivable balance are debtors with aggregate carrying amount of Nil (2024: approximately HK\$5,310,000) which are past due as at the reporting date.

11. TRADE AND OTHER PAYABLES

| | As at 31 May | |
|------------------------------------|---------------|---------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Trade payables | 15,281 | 25,106 |
| Contract liabilities | 1,471 | – |
| Retention payables | 8,145 | 3,170 |
| Accrued charges and other payables | 5,076 | 4,642 |
| | <u>29,973</u> | <u>32,918</u> |

At 31 May 2025 and 2024, the amount of retention payables expected to be settled after more than one year was approximately HK\$3,752,000 and approximately HK\$1,408,000 respectively. All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

- (a) As of the end of the reporting period, the aging analysis of trade payables, based on invoice date, is as follows:

| | As at 31 May | |
|----------------|---------------|---------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Within 1 month | 11,269 | 16,520 |
| 1 to 2 months | 3,969 | 8,023 |
| 2 to 3 months | 26 | 446 |
| 3 to 6 months | 17 | 117 |
| | <u>15,281</u> | <u>25,106</u> |

The average credit period is 90 days.

- (b) Details of contract liabilities as at 31 May 2025 and 2024 are as follows:

| | As at 31 May | |
|---|--------------|----------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Current | | |
| Arising from performance under health and wellness services | 1,471 | – |
| | <u>1,471</u> | <u>–</u> |

12. SHARE CAPITAL

| | Nominal value HK\$ | Number of shares | HK\$'000 |
|--|--------------------------|---------------------|----------|
| Authorised: | | | |
| At 1 June 2023 | 0.01 | 3,000,000,000 | 30,000 |
| Share consolidation (<i>note (ii)</i>) | N/A | (2,700,000,000) | – |
| At 31 May 2024 and 1 June 2024 | 0.1 | 300,000,000 | 30,000 |
| Increase in authorised share capital (<i>note (iii)</i>) | 0.1 | 1,200,000,000 | 120,000 |
| At 31 May 2025 | 0.1 | 1,500,000,000 | 150,000 |
| Issued and fully paid: | | | |
| At 1 June 2023 | 0.01 | 2,224,000,000 | 22,240 |
| Placing of new shares (<i>note (i)</i>) | 0.01 | 444,800,000 | 4,448 |
| Share consolidation (<i>note (ii)</i>) | N/A | (2,401,920,000) | – |
| At 31 May 2024 and 1 June 2024 | 0.1 | 266,880,000 | 26,688 |
| Placing of new shares (<i>note (iv)</i>) | 0.1 | 33,120,000 | 3,312 |
| At 31 May 2025 | 0.1 | 300,000,000 | 30,000 |

Notes:

- (i) Issue and allotment of 444,800,000 ordinary shares of HK\$0.027 each on 20 September 2023 under general mandate as disclosed in the announcements of the Company dated 5 September 2023 and 20 September 2023.
- (ii) Share consolidation of every ten (10) existing shares of HK\$0.01 each into one (1) consolidated share of HK\$0.1 each, effective date 2 November 2023. Details of which are set out in the circular of the Company dated 13 October 2023 and the announcement dated 2 November 2023.
- (iii) An ordinary resolution was approved during annual general meeting hold on 22 November 2024 to increase in authorized share capital of the Company from HK\$30,000,000 divided into 300,000,000 shares of HK\$0.1 each to HK\$150,000,000 divided into 1,500,000,000 shares of HK\$0.1 each by the creation of an additional 1,200,000,000 unissued shares. Details please refer to the announcement of the Company dated 22 November 2024.
- (iv) Issue and allotment of 33,120,000 ordinary shares of par value HK\$0.1 each on 12 September 2024 under general mandate as disclosed in the announcements of the Company dated 27 August 2024 and 12 September 2024.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT

The following is an extract of the independent auditor’s report on the Company’s consolidated financial statements for the year ended 31 May 2025:

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 May 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. The Group incurred a net loss of approximately HK\$34,484,000 and negative operating cash flow of approximately HK\$13,349,000 for the year ended 31 May 2025. These conditions, along with other matters as set forth in Note 3 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. The directors of the Company having considered the measures being taken by the Group, are of the opinion that the Group would be able to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

The Group is a Hong Kong-based marine construction works subcontractor specializing in reclamation works and supplemented by vessel chartering services and other civil engineering works. Besides the marine construction projects, the Group is also a health and wellness service provider in the PRC. As of the current Year, the Group has maintained its position as the main contractor for two marine construction projects, which were awarded with a combined initial contract sum of approximately HK\$261.4 million in the previous year. The Group remains dedicated to these projects, focusing on their successful completion and delivery.

The Board anticipates that the forthcoming financial years will continue to be challenging for the Group's marine construction and other civil engineering operations due to fierce market competition and elevated technical requirements for project bidding. To address this, the Board has continued to explore the health and wellness services segment which has been newly developed in the previous year. This initiative will leverage the management team's expertise and experience to expand the current business portfolio and mitigate risks associated with relying solely on marine construction and other civil engineering works segments, and to increase the Group's resilience and profitability in the face of market volatility.

Marine construction works

During the Year, the Group recorded revenue from marine construction works of approximately HK\$154.4 million, representing a decrease of approximately 17.2% compared to prior year, which was approximately HK\$186.4 million. The decrease in revenue can primarily be attributed to decrease in number of sizable projects. Specifically, one such project that contributed approximately HK\$68.8 million in the prior year was completed in July 2024 and only generated approximately HK\$15.1 million during the current year. During the Year, four marine construction projects was awarded to the Group, and as of 31 May 2025, the Group had three marine construction projects in progress.

During the Year, the Group experienced a gross loss of approximately HK\$20.3 million from its marine construction works, representing a 38.3% decrease as compared with the gross loss of approximately HK\$32.8 million in the prior year. This ongoing loss can primarily be attributed to the challenges encountered during the reconstruction of the piers, which led to higher costs than initially anticipated. The reconstruction of a pier involves numerous complexities, particularly in terms of piling works and lifting operation using vessels. The weather conditions, such as strong winds, sea level and turbulent sea waves, posed additional difficulties during the drilling, bored casting and lifting process on the seabed. These unfavorable conditions not only impacted the planning and execution of the construction but also affected resource utilization, including the standby time of staff, machinery, and vessels.

For instance, to assess the specific working area beside the pier, the Group had to coordinate the timing of the in and out of vessels based on the provided sea level information to ensure accessibility for different types of vessels to perform various works. However, accurately timing the entry and exit of vessels to cope with the changing sea level information was challenging. Any missed opportunities would delay the in and out of vessels, significantly increasing costs in rental, manpower, and progress. These unforeseen difficulties and unfavorable circumstances led to a gross loss during the Year.

Other civil engineering works

During the Year, the revenue derived from other civil engineering works amounted to approximately HK\$37.3 million (FY2024: approximately HK\$10.8 million). The increase in revenue can be primarily attributed to the progress of the Three-runway system project at Chek Lap Kok Airport (the “3RS”), which involves excavation and backfilling works. During the Year, a variation order from that 3RS project of approximately HK\$32.8 million was awarded to the Group, and as of 31 May 2025, the Group had one other civil engineering project in progress.

The Group recorded a gross profit on other civil engineering works of approximately HK\$3.2 million for the Year, compared to a gross loss of approximately HK\$9.3 million in the prior year.

During the Year, the Group has undertaken 10 projects and the aggregate initial contract sum amounted to approximately HK\$398.2 million. Out of the above 10 projects, six projects have been completed during the Year and, based on the information available and barring unforeseen circumstances, four projects are expected to be completed during the year ending 31 May 2026. As at 31 May 2025, the Group had four projects on hand and the aggregate initial contract sum amounted to approximately HK\$310.2 million. Set out below is the information of the projects undertaken by the Group during the Year:

| Site Location/ Project | Role | Segment | Type of Works | Status |
|-----------------------------------|-----------------|---------------------------|--|---------------|
| Sai Kung and Tai Po | Main contractor | Marine construction works | Reconstruction of piers | In progress |
| Lantau Island | Main contractor | Marine construction works | Reconstruction of piers | In progress |
| 3RS | Subcontractor | Marine construction works | Supply of sand fill material for the north runway reconstruction project | Completed |
| North Point | Subcontractor | Marine construction works | Piling works | Completed |

| Site Location/ Project | Role | Segment | Type of Works | Status |
|-----------------------------|---------------|-------------------------------|---|-------------|
| Lei Yue Mun | Subcontractor | Marine construction works | Excavation and disposal of rock material | In progress |
| 3RS | Subcontractor | Marine construction works | Supply of sand fill material for the north runway reconstruction project | Completed* |
| Stonecutters Island and 3RS | Subcontractor | Marine construction works | Transportation of sand fill material and supply of sand fill material for the north runway reconstruction project | Completed* |
| 3RS | Subcontractor | Marine construction works | Supply of sand fill material for the north runway reconstruction project | Completed* |
| 3RS | Subcontractor | Marine construction works | Supply of sand fill material for the north runway reconstruction project | Completed* |
| 3RS | Subcontractor | Other civil engineering works | Excavation, backfilling works and construction of isolation valve chamber and concrete surround to fuel pipe | In progress |

* Newly awarded during the Year

Vessel chartering services

During the Year, revenue from our vessel chartering services amounted to approximately HK\$7.2 million, representing a decrease of about 66.5% compared to HK\$21.5 million in the prior year. This decline was primarily due to the completion of vessel chartering arrangements. The gross profit margin for vessel chartering services was approximately 33.6% and 39.5% for the years ended 31 May 2025 and 31 May 2024, respectively. The decrease in gross profit margin was mainly attributable to the absence of high-margin revenue from a short-term transportation contract. This contract, which had specific requirements such as night work and access to height-restricted areas, enabled the Group to charge a higher rental fee to offset the associated risks and costs for the year ended 31 May 2024. Without similar high-income contracts during the Year, the gross profit margin was negatively impacted.

As at 31 May 2025, there was no vessel chartering arrangements in progress.

HEALTH AND WELLNESS SERVICES

During the Year, the Group has generated approximately HK\$3.9 million (FY2024: HK\$4.6 million) from health and wellness services segment. During the Year, the Group has provided services and products to over 1,000 customers.

OTHER INCOME AND (LOSSES), NET

The Group's other income and losses, net, decreased from other gain of approximately HK\$4.7 million for prior year to other loss of approximately HK\$0.5 million for the Year. This decrease was primarily due to the loss on disposal of vessels and site equipment of HK\$1.1 million as compare with the gain on disposal of vessels of HK\$3.2 million and income from sales of raw materials of HK\$0.6 million recorded in last year.

GENERAL AND ADMINISTRATIVE EXPENSES

The general and administrative expenses of the Group for the Year amounted to approximately HK\$17.9 million, representing an increase of approximately 8.5% compared to approximately HK\$16.5 million for the year ended 31 May 2024. Such increase was mainly attributable to the strategic planning and marketing expenses for the health and wellness segment.

IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT

The Group sustained a loss for the Year with net operating cash outflow, which the management considered to be an indicator of potential impairment that the carrying values of property, plant and equipment and right-of-use assets of the Group may not be fully recovered. The decrease in impairment losses was mainly due to the most of the provision has been made in last year and not much new addition of property, plant and equipment.

TOTAL COMPREHENSIVE EXPENSES FOR THE YEAR

Total comprehensive expenses attributable to the owners of the Company amounted to approximately HK\$34.5 million as compared with attributable to equity shareholders of approximately HK\$44.2 million for the corresponding prior year. Basic and diluted loss per share was HK\$11.86 cents as compared to HK\$17.42 cents for the corresponding prior year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has funded its liquidity and capital requirements primarily through internal cash resources.

As at 31 May 2025, the Group has cash and bank balances of approximately HK\$25.3 million (including cash and cash equivalents) (31 May 2024: approximately HK\$25.8 million). There is no interest-bearing borrowing for the Group as at 31 May 2025. The Group may seek to issue debt or equity securities or obtain credit facilities or other sources of funding, to optimize our capital structure.

As announced by the Company on 24 September 2024, the board of directors proposed, amongst others, (i) the increase in the authorised share capital of the Company from HK\$30,000,000 to HK\$150,000,000 by the creation of an additional 1,200,000,000 unissued shares of HK\$0.1 each (the **“Increase in Authorised Share Capital”**). Ordinary resolution approving the Increase in Authorised Share Capital was passed at the annual general meeting of the Company held on 22 November 2024, resulting in an authorised share capital of HK\$150,000,000 comprising 1,500,000,000 shares of HK\$0.1 each and an issued share capital of HK\$30,000,000 consisting of 300,000,000 shares of HK\$0.1 each with effect from 22 November 2024. Details of the Increase in Authorised Share Capital are set out in the Company’s circular dated 24 September 2024. The Group had no debt securities or other capital instruments as at 31 May 2025 and up to the date of this announcement.

DIVIDEND

The Board does not recommend any dividend for the Year (FY2024: Nil).

CHARGE ON ASSETS

As at 31 May 2025, the Group did not have any charge on assets (as at 31 May 2024: nil).

FOREIGN EXCHANGE RISK

The Group mainly operates in Hong Kong and most of the operating transactions are denominated in Hong Kong dollars. As such, the Directors are of the view that the Group’s risk in foreign exchange is insignificant. The Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the Year.

EMPLOYEES AND REMUNERATION POLICY

As at 31 May 2025, the Group employed 90 employees (31 May 2024: 109). Total staff costs including Directors’ remuneration for the Year amounted to approximately HK\$53.2 million (FY2024: HK\$53.4 million). Individual performance is rewarded through the Group’s salary and bonus system. The Group conducts annual review on salary increase, discretionary bonuses, and promotions based on the performance of each employee.

SHARE OPTION SCHEME

2020 Share Option Scheme

A share option scheme (the **“2020 Scheme”**) was conditionally adopted by the written resolution of the Company’s then sole shareholder on 13 November 2020. The major terms of the Share Option Scheme are set out in the paragraph headed **“Statutory and General Information – D. Share Option Scheme”** in Appendix IV to the Prospectus.

The total number of options available for grant under the 2020 Scheme as at the beginning of the financial year ended 31 May 2025 were 22,240,000 Shares, representing 10% of the total number of shares of the Company (the “**Shares**”) in issue as at the date of adoption of the 2020 Scheme on 13 November 2020.

On 16 September 2024 (the “**Grant Date**”), the Group granted share options to Directors and employees of the Group to subscribe for up to a total of 22,240,000 ordinary shares of HK\$0.1 each in the share capital of the Company pursuant to its share option scheme adopted on 13 November 2020, representing 10% of the share in issue as at the 2020 Adoption Date. The exercise price of the share options granted is HK\$0.107 per share. The share options shall be vested after 12 months from the Grant Date, and exercisable until 12 November 2030. There is no performance target attached to the share options and no financial assistance shall be provided by the Group to the grantees to facilitate the purchases of shares under the share option scheme. Details are set out in the announcement of the Company dated 16 September 2024.

As at 31 May 2025 and the date of this announcement, the total number of Shares available for issue under the 2020 Scheme is 22,240,000 Shares (9,000,000 Shares to Directors and 13,240,000 Shares to employees) which represents approximately 7.41% of the total number of Shares in issue (excluding treasury shares) (300,000,000 Shares).

After the grant of share option, the 2020 Scheme was terminated during extraordinary general meeting (the “**EGM**”) held on 22 November 2024.

No share option has been exercised, cancelled or lapsed under the 2020 Scheme since its adoption on 13 November 2020 and there is no outstanding share option as at the date of this announcement.

2024 Share Option Scheme

A share option scheme (the “**2024 Scheme**”) was approved on the EGM held on 22 November 2024 and adopted on 27 November 2024 (the “**2024 Adoption Date**”), which has a term of 10 years commencing on the 2024 Adoption Date. The purpose of the 2024 Scheme is to attract and retain the best available and high calibre personnel of the Group, to provide additional incentives to the eligible participants and to promote the overall success of the business of the Group. The major terms of the Share Option Scheme are set out in the circulars dated 30 October 2024. The total number of options available for grant under the 2024 Scheme as at the 2024 Adoption Date and 31 May 2025 were 60,000,000 Shares, representing 10% of the total number of share in issue of the Company as at the 2024 Adoption Date and 31 May 2025. No share option has been granted, exercised, cancelled or lapsed under the 2024 Scheme and there is no outstanding share option as at 31 May 2025 and the date of this announcement.

CAPITAL COMMITMENTS

The Group has no capital commitments as at 31 May 2025 (31 May 2024: Nil).

CONTINGENT LIABILITIES

At the end of the reporting period, the Directors do not consider it is probable that any claims will be made against the Group and the surety bonds are expected to be released in accordance with the terms of the respective contracts.

MATERIAL ACQUISITION AND DISPOSALS

During the Year, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures.

SIGNIFICANT INVESTMENTS

During the Year under review, the Group did not hold any material investments.

PROSPECTS

For marine construction works, other civil engineering works, and vessel chartering services segments, the Group will continue to stick with the strategy to select high profit margin projects and to implement effective cost control in the future.

During the Year, the Group has continued to explore the health and wellness segment. We have successfully secured over 1,000 customers from PRC and overseas, and generated revenue of HK\$3.9 million from stem cell related services and sales of health and wellness products.

Stem cell technology has been included in the “14th Five-Year” Plan for Bioeconomic Development and the “Healthy China 2030” Planning Outline, where it is emphasized as a “key breakthrough in addressing health challenges posed by an aging population”. China’s policy support in the stem cell services sector has formed a multi-tiered and comprehensive system, covering core dimensions such as national strategic guidance, streamlined review and approval processes, local pilot innovations, standardization frameworks, payment mechanism reforms, and openness to international collaboration. The boom in the stem cell industry drive a surge in demand for related services.

In the future, the Group will continue to explore the health and wellness services segment, with focus on the stem cell related services and products.

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

On 12 September 2024, an aggregate of 33,120,000 new shares have been successfully placed pursuant to the placing agreement (the “**2024 Placing**”). The gross proceeds from the Placing are approximately HK\$3.3 million and the net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing, are approximately HK\$3.1 million. All the net proceeds from the Placing will be applied for the general working capital of the Group.

Details of the Placing are set out in the announcement of the Company dated 27 August 2024 and 12 September 2024.

USE OF PROCEEDS

(i) Use of proceeds from 2024 Placing

References are made to the announcement dated 12 September 2024 in relation to the completion of the Placing under general mandate. During the Year, the net proceeds had been fully applied for the general working capital of the Group.

COMPETING BUSINESS

None of the controlling shareholders or the Directors of the Company and their respective associates is interested in a business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the Group’s business during the Year.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY’S SECURITIES

During the Year, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company’s listed securities.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to protect the interests of the shareholders of the Company. The Company has adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) under Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) as its own code of corporate governance. During the Year, the Company has complied with the code provisions set out in the CG Code.

NON-COMPLIANCE WITH RULES 3.10 AND 3.21 OF THE LISTING RULES

On 17 February 2025, Mr. Hu Ziyu (“**Mr. Hu**”) has resigned as the independent non-executive Director and a member of the Audit Committee, the Nomination Committee and chairman of the Remuneration Committee of the Company. After his resignation, the total number of the independent non-executive Directors of the Company has been reduced to two, which represent less than three independent non-executive Directors as required under Rule 3.10 of the Listing Rules. The number of members of the Audit Committee, Remuneration Committee and Nomination Committee of the Board would also be reduced to two and fall below the minimum number required under Rule 3.21 of the Listing Rules and the respective terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee.

RE-COMPLIANCE WITH RULES 3.10 AND 3.21 OF THE LISTING RULES

On 16 May 2025, Mr. Yin Jun (“**Mr. Yin**”) has been appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Nomination Committee and the Audit Committee of the Company. After the appointments of Mr. Yin with effect from 16 May 2025, the Company has complied with the requirements set out under Rules 3.10 and 3.21 of Listing Rules and the respective terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the guidelines for the Directors’ dealing in the securities of the Company. Having made specific enquiries of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code during the Year.

AUDIT COMMITTEE

The Board has established an Audit Committee on 13 November 2020 with written terms of reference in compliance with the CG code. The Audit Committee currently consists of three members who are all independent non-executive Directors, namely Mr. Wan San Fai Vincent, Mr. Wen Xiaoxiao and Mr. Yin Jun. The Audit Committee has reviewed the accounting principles, accounting standards, and methods adopted by the Company together with the management, discussed the matters concerning the Group’s risk management and internal controls system, as well as reviewed the Group’s audited annual results for the Year.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the year ended 31 May 2025 and up to the date of this announcement.

SCOPE OF WORK OF PRISM HONG KONG LIMITED

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

PUBLICATION OF ANNUAL RESULTS AND 2024/2025 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tianchengholdings.com.cn). The 2024/2025 annual report will be despatched to the shareholders of the Company and available on the same websites in due course.

By order of the Board
Tian Cheng Holdings Limited
Zheng Yanling
Chairman and Executive Director

Hong Kong, 27 August 2025

As at the date of this announcement, the executive Directors are Ms. Zheng Yanling, Mr. Ouyang Jianwen, Mr. Luo Hao and Mr. Wong Yuk; and the independent non-executive Directors are Mr. Wan San Fai Vincent, Mr. Wen Xiaoxiao and Mr. Yin Jun.