



TWINTEK INVESTMENT HOLDINGS LIMITED

乙德投資控股有限公司

ANNUAL REPORT

2026



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Chuang (*Chairman*)
(appointed on 5 January 2026)
Mr. Choi Chi Fai (appointed on 16 April 2026)
Ms. Fung Pik Mei
Mr. Christopher K Dinelli (appointed on
5 January 2026 and resigned on 23 March 2026)
Mr. Lo Wing Cheung
(resigned on 5 January 2026)

Non-executive Directors

Mr. Lui Chun Pong (appointed on 5 January 2026)
Mr. Li Pui Ho (resigned on 16 December 2025)

Independent Non-executive Directors

Mr. Eric Todd (appointed on 16 April 2026)
Mr. Lam Cheung Shing, Richard
(appointed on 16 April 2026)
Ms. Yeung Ka Wai (appointed on 5 January 2026)
Mr. Gu Feng (appointed on 5 January 2026 and
resigned on 16 April 2026)
Ms. Wu Yi (appointed on 5 January 2026 and
resigned on 16 April 2026)
Mr. Shu Wa Tung Laurence
(resigned on 5 January 2026)
Mr. Tam Wai Tak Victor (resigned on 5 January 2026)
Mr. Tam Wing Lok (resigned on 5 January 2026)

AUDIT COMMITTEE

Mr. Lam Cheung Shing, Richard (*Chairman*)
(appointed on 16 April 2026)
Mr. Eric Todd (appointed on 16 April 2026)
Ms. Yeung Ka Wai (appointed on 5 January 2026)
Mr. Gu Feng (appointed on 5 January 2026 and
resigned on 16 April 2026)
Ms. Wu Yi (appointed on 5 January 2026 and
resigned on 16 April 2026)
Mr. Shu Wa Tung Laurence
(resigned on 5 January 2026)
Mr. Li Pui Ho (resigned on 16 December 2025)
Mr. Tam Wai Tak Victor (resigned on 5 January 2026)
Mr. Tam Wing Lok (resigned on 5 January 2026)

REMUNERATION COMMITTEE

Mr. Lam Cheung Shing, Richard (*Chairman*)
(appointed on 16 April 2026)
Mr. Liu Chuang (appointed on 5 January 2026)
Mr. Eric Todd (appointed on 16 April 2026)
Ms. Yeung Ka Wai (appointed on 5 January 2026)
Mr. Gu Feng (appointed on 5 January 2026 and
resigned on 16 April 2026)
Ms. Wu Yi (appointed on 5 January 2026 and
resigned on 16 April 2026)
Mr. Tam Wing Lok
(resigned on 5 January 2026)
Mr. Lo Wing Cheung (resigned on 5 January 2026)
Mr. Shu Wa Tung Laurence
(resigned on 5 January 2026)
Mr. Tam Wai Tak Victor (resigned on 5 January 2026)

NOMINATION COMMITTEE

Mr. Liu Chuang (*Chairman*)
(appointed on 5 January 2026)
Mr. Eric Todd (appointed on 16 April 2026)
Mr. Lam Cheung Shing, Richard
(appointed on 16 April 2026)
Ms. Yeung Ka Wai (appointed on 5 January 2026)
Mr. Gu Feng (appointed on 5 January 2026 and
resigned on 16 April 2026)
Ms. Wu Yi (appointed on 5 January 2026 and
resigned on 16 April 2026)
Mr. Lo Wing Cheung
(resigned on 5 January 2026)
Mr. Shu Wa Tung Laurence
(resigned on 5 January 2026)
Mr. Tam Wai Tak Victor (resigned on 5 January 2026)
Mr. Tam Wing Lok (resigned on 5 January 2026)

COMPANY SECRETARY

Mr. Chau Wing Wo

AUDITOR

SHINEWING (HK) CPA Limited

CORPORATE INFORMATION (CONTINUED)

AUTHORISED REPRESENTATIVES

Mr. Liu Chuang (appointed on 5 January 2026)
Mr. Chau Wing Wo (appointed on 5 January 2026)
Mr. Lo Wing Cheung (resigned on 5 January 2026)
Ms. Fung Pik Mei (resigned on 5 January 2026)

COMPANY LAWYER

CLKW Lawyers LLP
1901A, 1902 and 1902A, 19/F
New World Tower I
16–18 Queen's Road Central, Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO BOX 1093
Boundary Hall Cricket Square
Grand Cayman KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

PO BOX 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 806, 8/F
Eastern Centre
1065 King's Road
Quarry Bay
Hong Kong

SHARE INFORMATION

Ordinary Share Listing

Place of listing: Main Board of The Stock Exchange
of Hong Kong Limited

Stock Code: 06182

Board lot size: 8,000 Shares

WEBSITE

www.kwantaieng.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the “**Board**”), I am pleased to present the annual results of Twintek Investment Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2026 (the “**Year**”).

The Group continued to operate in a challenging business environment owing to the adverse impact. Global economy had continued to navigate a complex landscape, balancing recovery with persistent challenges including high inflation, elevated interest rates and geopolitical uncertainties. The lingering inflationary pressure still impacted the material costs and impeded the Group's overall profitability. In the local context, despite there being a rebound in private residential market and capital market, the prevailing high interest rates and tightened credit-line from banks affected the overall performance of the Group. As a result of the above, the Group recorded a decrease in revenue to HK\$194.6 million, and recorded a net loss of approximately HK\$26.0 million for the Year.

In recent years, the Group shifted its focus into public utilities projects, especially public projects under the 10 Year Hospital Development Plan. As at 31 March 2026, the Group has three projects under the 10 Year Hospital Development Plan on hand, and these projects are expected to be realised in 2026 to 2027.

Timber flooring products remain one of the Group's major sources of revenue and contributed over 50% of the Group's revenue. The Group continued to take part in several large scaled residential projects in Eastern Kowloon, Southern District and Tseung Kwan O.

Looking ahead to 2026 and beyond, we remain optimistic to our long term business growth. Except our existing business, we would target to diversify our business by exploring business opportunities in different aspect. In the near future, the Hong Kong Government is expected to expedite various initiatives to increase land supply and residential supply with a view to easing Hong Kong's chronic housing shortage. Further, as laid out in the 2022 Policy Address, the Government will push forward with the development of the Northern Metropolis. Such mega development projects plans will create promising outlook for the construction industry over the next decade and the Group would undoubtedly benefit from this in the future. The Group will continue to use all endeavors to manage upcoming challenges in the fast changing environment and maintain its leading position among industry players in order to expand the Group's business and maximise the shareholders' interest.

APPRECIATION

Lastly, on behalf of the Board, I would like to express my sincere appreciation to all shareholders, customers and business partners for their continuous support to the Group, and to extend my gratitude to dedicated staff for their contributions throughout the Year.

Liu Chuang

Chairman

Hong Kong, 30 June 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND MARKET PROSPECT

The Group is a building materials contractor providing building materials and the relevant installation services mainly in Hong Kong. The Group's products mainly consist of (i) timber flooring products; (ii) interior wall-fill materials, in particular, gypsum block, plasterboard and drywall partition products; (iii) interior composite panel lining, in particular, SPC wall panels; (iv) demountable partition system; (v) fire protection board; and (vi) roof tiles.

During the year ended 31 March 2026 (the "Year"), the Group continued to operate in a dynamic business environment, with high inflation and interest rate hikes in some major economies including the United States of America. In the local context, despite there being a rebound in capital and private residential market, tightened budget from main developers and increase in costs of raw materials hindered the Group's performance. As a result, the Group recorded a decrease in revenue to approximately HK\$194.6 million, and recorded a net loss of approximately HK\$26.0 million for the Year, as compared to revenue and net profit of approximately HK\$207.2 million and HK\$1.3 million for the year ended 31 March 2025, respectively.

According to the data from the Rating and Valuation Department, the number of private residential properties completed in 2025 decreased by approximately 24.0% when compared with 2024. However, the rebound of private residential market made property developers speed up the construction progress, and the revenue generated from timber flooring projects for the Year has been increased to approximately HK\$129.2 million.

The 10-Year Hospital Development Plan contained in the 2016 Policy Address of the Chief Executive would continue to be the key footprint for the Group to pursue in its business development. Having considered the stringent requirements related to hospitals construction projects, the Group kept up the efforts to improve the technicality of its gypsum block installation system, so as to facilitate compliance with the enhanced construction standards to maintain its competitiveness. In previous years, the Group's efforts have been proven successful by its completion of several large-scale hospital projects in both private and public sectors. Going onward, the Group trusts it remains well-positioned to take on further potential business opportunities brought by the 10-Year Hospital Development Plan, the implementation of which is being robustly driven by the Hong Kong Government. During the Year, the Group had strived its best in completing a large-scale hospital project, and a public utility project for the supply and installation of gypsum block products, and working on a supply and installation project under the 10-Year Hospital Development Plan. As of now, the Group has three projects under the 10-Year Hospital Development Plan in supply and installation of gypsum block products on hand.

In 2019, the Group introduced several new products including interior composite panel lining, in particular, the SPC wall panel, a panel lining with anti-bacterial, eco-friendly properties, which provides a quicker and budgeted solution to the Group's customers compared to conventional installation methods and is well-suited to the latest industry trend requiring faster construction. During the Year, the Group has been working on a large-scale hospital project for the supply and installation of SPC wall panels with a contract sum of approximately HK\$12.2 million. With an increasing awareness about public health and safety amidst the COVID-19 pandemic, the Group foresees an increase in demand for the anti-bacterial SPC wall panels from its customers.

The Group's demountable partition system started to emerge in the market. After completing three public utility projects in supply and installation of demountable partition system in the Year, the Group is preparing for another project.

The Group kept exploring the fit-out sector so as to fully utilise its interior installation experience and to achieve vertical integration and diversification of its business segments. The Group has so far received positive response from its customers.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

On 28 October 2025, (i) Mars Nest Limited (the “**Offeror**”) (as purchaser), entered into a sale and purchase agreement with Helios Enterprise Holding Limited (“**Helios**”), Ms. Lo Pui Ying Janice and Mr. Lo Ka Chun Oscar (as vendors) for the acquisition of an aggregate of 510,000,000 shares of the Company (the “**Shares**”), representing 63.75% of the total issued share capital of the Company, at a total consideration of HK\$124,312,500 (equivalent to a consideration of HK\$0.24375 per Share); and (ii) Mr. Lee Ho Yuen (as purchaser) entered into a sale and purchase agreement with Helios (as vendor) for the acquisition of 90,000,000 Shares, representing 11.25% of the total issued share capital of the Company, at a total consideration of HK\$21,937,500 (equivalent to a consideration of HK\$0.24375 per Share). The total consideration was fully settled on 28 October 2025 and the acquisitions of Shares have been completed on the same day.

By partnering with Mr. Liu, the Company will have the opportunity to benefit from his profound experience in business operations and management to further enhance its competitive position in the rapidly evolving industry landscape in which the Group operates, including the lingering inflationary pressure which impacted the material costs as well as the increasing client demand for swift response in product and service delivery. In light of the challenging macroeconomic environment the Group encountered, while it is the intention of the Offeror that the Group will continue with its existing principal business, the Offeror will conduct a detailed review of the long-term business development plan of the Group, including exploring new business opportunities and diversifying its source of revenue. Mr. Liu’s client management experience accumulated from his years of experience in business operation and corporate affairs will assist the Company in establishing and maintaining business relationships to enhance the customer base of the Group for sustainable development, and his technology background may assist the Group in enhancing its market competitiveness by adopting construction technology in product development and planning, designing, building and managing projects.

Looking forward, the Group will continue to focus on its competitive edge. The Directors believe that the Group will benefit from the promising medium-to-long term outlook of the Hong Kong construction industry. In the long run, the Group will continue to use all endeavors to manage upcoming challenges in the fast-changing environment and maintain its leading position among industry players to achieve satisfactory results in the future.

FINANCIAL REVIEW

Revenue

The Group’s revenue was generated from two segments: (i) construction contracts, i.e. provision of construction and engineering services; and (ii) sales of building materials. The Group’s total revenue decreased by approximately HK\$12.6 million, or approximately 6.1%, from approximately HK\$207.2 million for the year ended 31 March 2025 to approximately HK\$194.6 million for the year ended 31 March 2026.

The following table sets forth the details of the Group’s revenue sources:

	For the year ended 31 March			
	2026		2025	
	HK\$ million	%	HK\$ million	%
Construction contracts	179.1	92.0	191.0	92.2
Sales of building materials	15.5	8.0	16.2	7.8
Total	194.6	100.0	207.2	100.0

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Construction Contracts

The Group's revenue generated from construction contracts decreased from approximately HK\$191.0 million for the year ended 31 March 2025 to approximately HK\$179.1 million for the year ended 31 March 2026, representing a decrease of approximately HK\$11.9 million or approximately 6.2%. During the year ended 31 March 2026, as several major contracts have reached their final stage of completion, while the new contracts were in initial stage of work. Hence, revenue generated from construction contracts has decreased accordingly.

Sales of Building Materials

The Group's revenue generated from sales of building materials slightly decreased by approximately HK\$0.7 million, or approximately 4.3%, from approximately HK\$16.2 million for the year ended 31 March 2025 to approximately HK\$15.5 million for the year ended 31 March 2026. The decrease in sales of building materials is directly attributable to the decrease in sales orders of gypsum block products for the year ended 31 March 2026.

Cost of Sales and Services

The Group's cost of sales and services amounted to approximately HK\$178.1 million for the year ended 31 March 2026, increased by approximately 4.2% (2025: approximately HK\$170.9 million). Cost of sales and services mainly comprised material costs and subcontracting costs, which together accounted for approximately 96.2% (2025: approximately 98.9%) of the Group's total cost of sales and services for the year ended 31 March 2026.

The Group's material costs mainly comprises timber flooring materials and gypsum block materials. The Group recorded a decrease in material costs under cost of sales and services by approximately 3.9% for the year ended 31 March 2026, which was generally in line with the decrease in revenue for the year ended 31 March 2026.

The Group recorded an increase in subcontracting costs under cost of sales and services by approximately 7.0% for the year ended 31 March 2026. As several projects were in final stage of completion, additional costs have been incurred in modifying the defects. Thus, the subcontracting costs increased accordingly.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately HK\$19.8 million, from approximately HK\$36.2 million for the year ended 31 March 2025 to approximately HK\$16.4 million for the year ended 31 March 2026. The Group's gross profit margin decreased from approximately 17.5% for the year ended 31 March 2025 to approximately 8.5% for the year ended 31 March 2026.

The gross profit and gross profit margin of the Group's projects were affected by a number of factors, including terms of contract, the length of contractual period, scope of work, technical complexity, variation orders (if any) and/or work programme, and therefore vary from project to project.

With the increase in competition from competitors with aggressive pricing strategies, the Group carefully estimated the gross profit of each project before accepting a new bid.

Other than the above factors, the Group's gross profit margin is generally related to the proportion of the Group's revenue generated from sales of building materials. In general, the gross profit margin of sales of building materials is higher than that of construction contracts, as the labour cost in Hong Kong is generally much higher than the material cost which lowers the gross profit margin of construction contracts.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Other Income

The Group's other income decreased from approximately HK\$4.8 million for the year ended 31 March 2025 to approximately HK\$1.6 million for the year ended 31 March 2026. The Group's other income for the year ended 31 March 2026 mainly consists of reversal of impairment on contract assets of approximately HK\$0.3 million, compensation from employee injury claims received from insurance company of approximately HK\$0.4 million, interest income from deposits paid for life insurance policies of approximately HK\$0.3 million, and bank interest income of approximately HK\$0.4 million.

Selling and Distribution Expenses

The Group's selling and distribution expenses mainly comprised transportation expenses, storage expenses and business development expenses. The total selling and distribution expenses decreased by approximately HK\$1.5 million, or approximately 51.7%, from approximately HK\$2.9 million for year ended 31 March 2025 to approximately HK\$1.4 million for the year ended 31 March 2026. The decrease in selling and distribution expenses was in line with the decrease in revenue generated from the German-made gypsum block products, which required less shipments and in turn decrease the selling and distribution expenses.

Administrative Expenses

The Group's administrative expenses increased by approximately HK\$6.2 million, or approximately 19.1%, from approximately HK\$32.5 million for the year ended 31 March 2025 to approximately HK\$38.7 million for the year ended 31 March 2026. The increase in administrative expenses was mainly caused by an impairment loss on properties of approximately HK\$6.9 million, owing to the drop in market value of industrial buildings during the year ended 31 March 2026.

Finance Costs

With the decrease in bank borrowings, the Group's finance costs decreased by approximately HK\$0.8 million, or approximately 18.6%, from approximately HK\$4.3 million for the year ended 31 March 2025 to approximately HK\$3.5 million for the year ended 31 March 2026.

Income Tax Expenses

The Group recorded a net loss for the year ended 31 March 2026 and thus has minimal income tax exposure.

Net (Loss)/Profit

The Group recorded a net loss of approximately HK\$26.0 million for the Year, as compared to the net profit of approximately HK\$1.3 million for the year ended 31 March 2025. The turnaround from net profit to net loss was mainly attributed to the decrease in gross profit, impairment on the properties owing to the drop in market value of industrial buildings, and the absence of reversal of impairment loss of a project as mentioned above.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

LIQUIDITY AND FINANCIAL RESOURCES REVIEW

The Group had normally funded its liquidity and capital requirements primarily through bank borrowings and net cash generated from operating activities.

Total Equity and Net Current Assets

The total equity of the Group mainly comprises share capital, share premium and reserves. The total equity of the Group as at 31 March 2026 was approximately HK\$67.7 million (2025: approximately HK\$93.7 million).

As at 31 March 2026, the Group's net current assets were approximately HK\$22.0 million (2025: approximately HK\$39.1 million).

Cash and Cash Equivalents

As at 31 March 2026, the Group had cash and cash equivalents of approximately HK\$13.6 million (2025: approximately HK\$8.0 million).

Bank Borrowings

As at 31 March 2026, the Group had bank borrowings of approximately HK\$33.5 million (2025: approximately HK\$54.4 million) carried at floating interest rates.

Key financial ratios

	As at 31 March 2026	2025
Gearing ratio	49.9%	59.3%
Current ratio	1.3	1.4

Gearing ratio: Gearing ratio is calculated based on the total debts (including all interest-bearing borrowings and loans, and lease liability) divided by the total equity as at the end of the reporting period.

Current ratio: Current ratio is calculated based on the total current assets divided by the total current liabilities.

Going forward, the Group expects to fund its future operations and expansion plans primarily with cash generated from business operations and bank borrowings.

PLEDGE OF ASSETS

As at 31 March 2026, the Group's banking facilities were secured by properties with net carrying amount of approximately HK\$36.5 million (2025: approximately HK\$46.1 million), prepayment and deposits paid for life insurance policies of approximately HK\$7.2 million (2025: approximately HK\$6.9 million) and pledged bank deposits of approximately HK\$10.0 million (2025: approximately HK\$18.9 million).

CAPITAL EXPENDITURE

During the year ended 31 March 2026, the Group acquired items of property, plant and equipment of approximately HK\$0.5 million (2025: approximately HK\$17,000).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CONTINGENT LIABILITIES

As at 31 March 2026, the Group was involved in two litigations and potential claims against the Group in relation to work-related injury. In the opinion of the Directors, the litigations and potential claims are not expected to have a material impact on the consolidated financial statements, as insurance policy has been adopted by main contractor to cover potential losses. Accordingly, no provision has been made to the consolidated financial statements for the year ended 31 March 2026.

The Group provided guarantee of performance bonds in its ordinary course of business. As at 31 March 2026, the Group's contingent liabilities in relation to performance bonds were approximately HK\$5.6 million (2025: approximately HK\$5.6 million).

CAPITAL COMMITMENTS

The Group has no capital commitment as at 31 March 2026 (2025: nil).

PRINCIPAL RISKS AND UNCERTAINTIES

Fluctuating Cash Flows Pattern

The Group may incur net cash outflows at the early stage of carrying out works when it is required to pay material costs and/or for subcontractors prior to receiving payment from customers. Customers will pay progress payments after works commenced and after such works have been certified by customers. Accordingly, the Group may experience net cash outflows to pay certain material costs and/or subcontractors' fees while the respective progress payments may not be received in the same periods. If during any particular period of time, there exists too many projects which require substantial cash outflows while the Group has significantly less cash inflows, the Group's cash flow position may be adversely affected.

Inaccurate Estimation on the Cost and Work Programme of Projects

As contracts from customers are normally awarded through successful tendering and acceptance of quotation offer, the Group needs to estimate the time and costs based on the tender documents or quotation requests provided by customers in order to determine the tender price or quotation. There is no assurance that the actual execution time and costs of the project would not exceed the Group's estimation.

The actual time taken and costs involved in completing contracts undertaken by the Group may be adversely affected by a number of factors, such as shortage or cost escalation of materials and labour, adverse weather conditions, additional variations to the work plans requested by customers, delays in obtaining any required permits or approvals, disputes with subcontractors or other parties, accidents, changes in Hong Kong government policies and customers' priorities and any other unforeseen problems and circumstances. Any of the aforementioned factors may give rise to delays in completion of works or cost overruns or even termination of projects by customers, which in turn may adversely affect the Group's profitability and liquidity.

Irregular Profit Margin

The Directors believe that the profit margin of each project significantly depends on various factors, such as the terms of the contracts, the length of the contractual period, scope of work, technical complexity, variation orders (if any), the efficiency of implementation of the contractual works and the general market conditions which are beyond the Group's control. As a result, the income flow and the profit margin of each project, which are largely dependent on the terms of the work contracts, may not be entirely regular and consistent and there is no assurance that the profitability of a project can be maintained or estimated at any level. If the profit margin of the project significantly deviates from the estimation of the Directors, the Group's financial position could be adversely affected.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Failure to Obtain New Projects

The Group provides materials and/or relevant installation services to customers generally on a project-by-project basis. The Group's revenue from projects is non-recurring in nature. It cannot be guaranteed that the Group will continue to secure new projects from customers after the completion of the existing awarded projects.

Currency Risk

Certain transactions of the Group are denominated in currencies which are different from the functional currency of the Group, namely, Hong Kong dollars, and therefore the Group is exposed to foreign exchange risk. Payments made by the Group for the settlement of its cost of sales and services are generally denominated in Hong Kong dollars, USD and EUR. Payments received by the Group from its customers are mainly denominated in Hong Kong dollars. The Group continues to monitor closely its exposure to currency movement and may take proactive measures where necessary.

Interest Rate Risk

As at 31 March 2026, the Group had interest-bearing bank borrowings of approximately HK\$33.5 million. The Group has not hedged against the respective interest rate risks. All of the Group's current interest-bearing bank borrowings have a floating interest rate. Should there be an increase in interest rate in the future, interest expenses of the Group may increase and cash flows and profitability of the Group may be adversely affected.

Credit Risk – Contract Assets

Contract assets represent a large portion of the Group's assets. The carrying amount of the Group's contract assets of approximately HK\$59.2 million as at 31 March 2026 represents the maximum exposure to credit risk in relation to contract assets (2025: approximately HK\$95.1 million). In order to minimise the Group's credit risk exposure, the management of the Group is closely monitoring the contract assets and take follow up action if needed.

In assessing credit risk, the Company has taken into account following factors:

1. Recovery history of the counterparties;
2. Credit rating of the counterparties; and
3. Forward-looking factors of the market.

In addition, the Group has appointed an independent professional valuer in assessing the expected credit loss of contract assets as at 31 March 2026 to ensure impairment loss provided is adequate.

Subsequent to 31 March 2026 and up to 31 May 2026, approximately 17.2% of contract assets as at 31 March 2026 have been subsequently billed to the customers and approximately 15.6% of contract assets as at 31 March 2026 have been settled.

Customer Concentration Risk

During the year ended 31 March 2026, the Group's five largest customers in aggregate accounted for approximately 77.2% (2025: approximately 61.0%) of the Group's total revenue. The largest customer accounted for approximately 46.9% (2025: approximately 29.8%) of the Group's total revenue.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

If there is a significant decrease in business engagements with the Group's major customers for whatever reasons, and the Group is unable to obtain comparable business engagements as replacement, the financial conditions and operating results of the Group would be materially and adversely affected. Meanwhile, if any of the Group's five largest customers experiences any liquidity problems, it may result in delay or default of payments to the Group, which in turn would have an adverse impact on the cash flows and financial conditions of the Group.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2026, including Ms. Fung, the executive Director, the Group had 26 full-time employees and 1 part-time employee (2025: 30 full-time employees and 1 part-time employee). The total staff costs incurred by the Group for the year ended 31 March 2026 were approximately HK\$16.6 million (2025: approximately HK\$18.6 million). The decrease in staff costs was mainly due to decrease in average number of staff.

Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. The Group's employees are remunerated according to their job scope, responsibilities, and performance. Employees are also entitled to discretionary bonus depending on their respective performances and the profitability of the Group. Other staff benefits include the provision of retirement benefits and sponsorship of training courses.

The emoluments of Directors and senior management were reviewed by the Remuneration Committee of the Board, having regard to the remuneration paid by comparable companies, experience, responsibilities and performance of the Group, and approved by the Board.

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

The Group had no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 March 2026.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries had sold, purchased or redeemed any of the Company's listed securities during the year ended 31 March 2026.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Liu Chuang (“**Mr. Liu**”), aged 52, a controlling shareholder of the Company, has been the Chairman of the Board, an executive Director and Chief Executive Officer since January 2026. He is also the chairman of the Nomination Committee of the Company.

Mr. Liu possesses extensive experience in strategic planning, business development and market analysis, particularly in technology and venture capital sectors. Since August 2018, he has been the chief executive officer of Mission X Inc., a digital mining company and provider of super-intelligence cloud infrastructure at enterprise scale. Mr. Liu obtained a master’s degree in business administration from the China Europe International Business School (中歐國際工商學院) in September 2012.

Mr. Choi Chi Fai (“**Mr. Choi**”), aged 48, has been an executive Director since April 2026. He received his bachelor’s degree of business administration in accounting from The Hong Kong University of Science and Technology in August 2000. Mr. Choi is a member of Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a member of Institute of Singapore Chartered Accountants.

Mr. Choi has served as the investment management department consultant of OCI International Holdings Limited, the chief investment officer of Circle Energy (Singapore) Co Pte Ltd and the senior advisor of executive office of Quam Plus International Financial Limited. Moreover, Mr. Choi has acted as the independent non-executive director of Lion Group Holding Limited (a company listed on NASDAQ with ticker: LGHL) since July 2020. Mr. Choi has accumulated over 20 years of experience in internal and external auditing, merger and acquisition, setting up fund and direct investment.

Ms. Fung Pik Mei (“**Ms. Fung**”), aged 65, has been an executive Director since June 2017. Ms. Fung joined the Group as a director of Kwan Tai Engineering Co., Limited (one of the Group’s subsidiaries) in 1997 and was responsible for overseeing the day-to-day business operations of the Group, in particular the supervision of the project management team. Having been involved in the management of the Group for over 25 years, she has gathered extensive expertise within the industry, businesses of the Group and project management for all of the Group’s operations.

NON-EXECUTIVE DIRECTOR

Mr. Lui Chun Pong (“**Mr. Lui**”), aged 57, was appointed as a non-executive Director since January 2026 and is mainly responsible for providing independent advice to the Board.

Mr. Lui obtained a Bachelor of Arts degree from the University of Hong Kong, a Bachelor of Laws from Manchester Metropolitan University in United Kingdom, a Master of Laws degree from the Chinese University of Hong Kong, a Master of Accountancy degree from Charles Sturt University in Australia, and an Executive Master of Business Administration degree from the City University of Hong Kong. Mr. Lui is a fellow member of the Association of Chartered Certified Accountants, an associate member of the Taxation Institute of Hong Kong, the Chartered Governance Institute and the Hong Kong Chartered Governance Institute. Mr. Lui has over 30 years of experience in finance, security and property industry.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Mr. Lui held senior positions at a number of Hong Kong companies listed on the Stock Exchange. Mr. Lui currently is a non-executive director of JY Gas Limited (stock code: 1407), listed on the Main Board of the Stock Exchange and China Ocean Group Development Limited (stock code: 8047), listed on the GEM of the Stock Exchange. Mr. Lui was a non-executive director of Silkwave Inc (stock code: 471), listed on the Main Board of the Stock Exchange during the period from 28 February 2022 to 26 November 2025. Mr. Lui also serves the community through his participation in promoting sports and youth and student's affairs in Hong Kong. Mr. Lui was a director of Hong Kong Baseball Association (2018–2024) and Hong Kong United Youth Association (2014/2015); a member of Student Affairs Sub-committee of the Association of Chartered Certified Accountants (2014–2024); the Budget Proposal Subcommittee of the Hong Kong Institute of Certified Public Accountants in 2017/2018. Mr. Lui is currently a director of The Institute of Securities Dealers. Save as disclosed herein, Mr. Lui did not hold any position nor directorship in other listed companies in the three preceding years.

INDEPENDENT NON-EXECUTIVE DIRECTORS (“INEDs”)

Mr. Eric Todd (“Mr. Todd”), aged 64, was appointed as a non-executive Director in April 2026. He is responsible for providing independent advice to the Board. He is also a member of the Audit Committee, the Remuneration Committee and Nomination Committee of the Board. He has over 30 years of extensive professional experience in auditing, financial management, investment and media industry. Mr. Todd received a Bachelor's Degree in Business Administration in Accounting and Finance from the School of Management of Boston University in Massachusetts, United States of America. Mr. Todd has qualified as an U.S. Certified Public Accountant in 1989 and was a member of the American Institute of Certified Public Accountants from 1989 to 2010. Mr. Todd started his career at the Hong Kong office of KPMG (formerly known as KPMG Peat Marwick) from 1985 to 1990 and subsequently joined the Standard Chartered Bank Group and worked from 1991 to 1995. Prior to joining the Company, he had been employed as a business consultant and also served as finance director for several companies engaged in the media industry.

Mr. Todd is currently an executive director of Kin Shing Holdings Limited (stock code: 1630) since January 2026 and an independent non-executive director of Yuk Wing Group Holdings Limited (stock code: 1536) since January 2026, whose securities are listed on the Main Board of Stock Exchange. Mr. Todd was an executive director of Far East Holdings International Limited (stock code: 36) from February 2021 to February 2024 and an independent non-executive director of Wan Kei Group Holdings Limited (stock code: 1718) from January 2021 to November 2024, all of which are listed on the Stock Exchange.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Mr. Lam Cheung Shing, Richard (“Mr. Lam”), aged 68, was appointed as an independent non-executive Director in April 2026. He is responsible for providing independent advice to the Board. He is the chairman of the Audit Committee and Remuneration Committee and also a member of Nomination Committee of the Board. He is a fellow member of Hong Kong Institute of Certified Public Accountants and obtained the Master’s Degree in Business Administration in the Chinese University of Hong Kong in 2006. He spent over ten years in PricewaterhouseCoopers, an international accounting firm and was promoted to the position of senior audit manager, and is equipped with extensive experience in accountancy, taxation and corporate finance.

Mr. Lam served as an executive director of Everchina International Holdings Limited (“**Everchina**”, stock code: 0202), whose shares are listed on the Main Board of the Stock Exchange, from August 2001 to October 2023 and was designated as Deputy Chairman and CEO of Everchina since 2009 until his retirement in October 2023. Mr. Lam was appointed as a director in various companies whose shares are listed on the main board of the Stock Exchange during the period from December 2001 to February 2026, namely China Pipe Group Limited (stock code: 380); Eagle Legend Asia Limited (now known as Kaisa Capital Investment Holdings Limited) (stock code: 936); Kai Yuan Holdings Limited (stock code: 1215); and Silkwave Inc (stock code: 471). Mr. Lam currently acts as an independent non-executive director of the following companies whose shares are listed on either the main board or GEM of the Stock Exchange namely: Far East Holdings Company Limited (stock code: 0036) since November 2023; China Water Industry Group Limited (stock code: 1129) since August 2019; Legend Strategy International Holdings Group Limited (stock code: 1355) since December 2022; Lajin Entertainment Network Group Limited (stock code: 8172) since March 2015; and World Digital Economy Asset Group Limited (stock code: 3708) since December 2025.

Ms. Yeung Ka Wai (“Ms. Yeung”), aged 49, was appointed as an independent non-executive Director since January 2026. She is responsible for providing independent advice to the Board. She is also a member of the Audit Committee, the Remuneration Committee and Nomination Committee of the Board.

Ms. Yeung has 25 years of experience in the financial and insurance sectors. She currently serves as the Ambassador for the Hong Kong Independent Non-Executive Director Association, connecting INEDs across Greater China and enhancing their professional development. Ms. Yeung is the Chairlady (for cultural development) of the In-heritage Philharmonic, a philanthropic organization promoting arts and cultural development in Hong Kong and, she also serves as an Adjunct Lecturer at Hang Seng University of Hong Kong, where she educates industry professionals on various financial concepts and the latest developments in Asia. Ms. Yeung’s career includes notable positions such as Chief Marketing Officer at ACE Life, Regional Underwriting Director at Asurion Asia Pacific Limited and Regional Director of Asia Pacific HSBC Bancassurance at AXA General Insurance. She has a strong background in bancassurance, having worked with major financial institutions including Citibank, General Electric and AIA. Ms. Yeung’s educational qualifications include an MBA from the University of Northern Iowa and a Bachelor of Commerce from the University of British Columbia with double honour (first class) majors of Finance and Transportation Logistics. She is a Certified Environmental, Social and Governance Analyst (CESGA) of The European Federation of Financial Analyst Societies. Ms. Yeung is a highly accomplished professional who has also dedicated her efforts in promoting Hong Kong ranging from cultural and arts development to economic advancement. She is the Honorary President of Cultural & Arts Association, Central & Western District, HKSAR and a founding member of the Hong Kong-Middle East Business Chamber. Ms. Yeung is also the founding board member and treasurer of Guangdong Hong Kong Macau Greater Bay Area General Chamber of Real Estate Industry Limited.

Ms. Yeung has been serving as an independent non-executive director of IBI Group Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 1547).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Mr. Gu Feng (“Mr. Gu”), aged 54, was appointed as an independent non-executive Director from January 2026 to April 2026. He is responsible for providing independent advice to the Board. He was also a member of the Audit Committee, the Remuneration Committee and Nomination Committee of the Board.

Mr. Gu currently is equity partner of Zhong Lun Law Firm in Shanghai, a partnership law firm of the mainland of China. He has been deeply involved in the capital markets of the mainland of China and overseas for many years and has been active in the business of capital market and corporate law for a long period. He has rich experience in legal services in the field of enterprise restructuring, asset reorganization, domestic and overseas stock issuing and listing, mergers and acquisitions, private equity and venture capital investment, fund establishment, bond issuing, trusts, etc. Since his first practice in 1995, he has provided professional legal services for more than 30 companies at home and abroad, including Shanghai Pudong Development Bank, Shyndec Pharmaceutical Company and Yongle Electric in their initial public offering (IPO) projects, with a wide range of industries, such as biomedicine, software services, Internet, banking, electrical equipment. Also, he has many external positions. For instance, he once served as a special external expert consultant of the internal audit team for securities issuance of a large domestic comprehensive securities company, and he has also served as an independent director of a listed company. Besides, He has also been rated as the annual key and specially recommended lawyer of Asia Pacific by The Legal 500 in 2017 and 2018. Mr. Gu obtained a bachelor’s degree of Laws from East China University of Political Science and Law in July 1994.

Ms. Wu Yi (“Ms. Wu”), aged 29, was appointed as an independent non-executive Director from January 2026 to April 2026. She is responsible for providing independent advice to the Board. She is the chairlady of the Audit Committee and Remuneration Committee and also a member of Nomination Committee of the Board.

Ms. Wu specializes in accounting, audit, risk management, financial compliance and data analysis. Since April 2025, she has been undertaking independent professional development and research, focusing on integrating prior experience in accounting, audit and risk management with data analytics and AI-related applications. She was senior consultant of Ernst & Young (PRC) regarding the risk management from September 2021 to April 2025. She has been the internal audit of Institute of Information Technology of National Immigration Administration from September 2020 to September 2021. Ms. Wu obtained a master’s degree in audit from Beijing National Accounting Institute in 2020 and obtained a bachelor’s degree in international accounting from East China Jiaotong University in 2018. She is a member of Association of Chartered Certified Accountants.

SENIOR MANAGEMENT

Mr. Chau Wing Wo (“Mr. Chau”), aged 42, is the chief financial officer of the Group and company secretary of the Company since April 2019. He joined the Group in April 2019 and is mainly responsible for overseeing the financial reporting and financial planning of the Group.

Mr. Chau obtained a Bachelor of Business Administration in Accounting and Finance from the University of Hong Kong in 2007. He is a fellow member of Hong Kong Institute of Certified Public Accountants, and has over 18 years of experience in the field of auditing and accounting.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the year ended 31 March 2026.

CORPORATE STRATEGY, CULTURE AND VALUE

Corporate Strategy

The Group's principal corporate strategy is to maintain and strengthen the Group's market position as an established building materials contractor in the building materials industry in Hong Kong. Leveraging the Group's proven track record and good reputation, the Group strives to maintain and strengthen the Group's market position in Hong Kong, expand the Group's scope of products and services, and continue on human resources development to support the Group's future growth in the industry.

Corporate Culture and Value

The Group acknowledges and emphasises the significance of corporate culture within its operations, and firmly believes that corporate culture serves as the foundation upon which the Group's purposes, values and strategy are built. By recognising the importance of corporate culture, the Board is committed to act with integrity, lead by example, and promote and ensure the Group's purposes, values and strategy and the desired culture are aligned.

The Group's corporate culture embodies, among other things, (i) dedication to excellence, delicately bringing quality, trustable, and sustainable building materials to every home; and (ii) sustainable development, exploring into ways that are better for both the environment and the community.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. Save for the deviation from code provision C.2.1 of the Corporate Governance Code (the **"CG Code"**) set out in Appendix C1 to the Listing Rules as disclosed below, the Company has adopted the CG Code as the Group's corporate governance practices. In the opinion of the Directors, the Company has complied with the applicable code provisions under the CG Code during the year ended 31 March 2026 except the following:

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer (**"CEO"**) should be separate and should not be performed by the same individual. However, the roles of the Group's chairman and CEO are both performed by Mr. Liu Chuang. Mr. Liu is currently the chairman of the Board and the CEO, responsible for strategic planning and management of the Group's overall business and operations. The Board believes that vesting the roles of both the chairman of the Board and the CEO in the same person can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. The Board considers that the balance of power and authority, accountability and independent decision-making under the present arrangement will not be impaired due to the diverse background and experience of the non-executive Director and independent non-executive Directors (**"INED(s)"**). Further, the audit committee (the **"Audit Committee"**), which consists of three INEDs, has free and direct access to the Company's external auditors and independent professional advisers when it considers necessary.

CORPORATE GOVERNANCE REPORT (CONTINUED)

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the Nomination Committee, and the Remuneration Committee. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

Board Composition

During the year ended 31 March 2026 and up to the date of this annual report, the composition of the Board is as follows:

Executive Directors

Mr. Liu Chuang (*Chairman*) (appointed on 5 January 2026)
Mr. Choi Chi Fai (appointed on 16 April 2026)
Mr. Christopher K Dinelli (appointed on 5 January 2026 and resigned on 23 March 2026)
Mr. Lo Wing Cheung (*Chairman*) (resigned on 5 January 2026)
Ms. Fung Pik Mei

Non-Executive Directors

Mr. Lui Chun Pong (appointed on 5 January 2026)
Mr. Li Pui Ho (resigned on 16 December 2025)

INEDs

Mr. Eric Todd (appointed on 16 April 2026)
Mr. Lam Cheung Shing, Richard (appointed on 16 April 2026)
Ms. Yeung Ka Wai (appointed on 5 January 2026)
Mr. Gu Feng (appointed on 5 January 2026 and resigned on 16 April 2026)
Ms. Wu Yi (appointed on 5 January 2026 and resigned on 16 April 2026)
Mr. Shu Wa Tung Laurence (resigned on 5 January 2026)
Mr. Tam Wai Tak Victor (resigned on 5 January 2026)
Mr. Tam Wing Lok (resigned on 5 January 2026)

To the best knowledge of the Directors, there was no other relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Each of the Directors newly appointed during the Year and before the date of this report understood his/her responsibilities as a director of a listed issuer and had obtained the legal advice as regards the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange as described in Rule 3.09D of the Listing Rules on the following dates:

Newly appointed Director	Date of obtaining legal advice
Mr. Liu Chuang (appointed on 5 January 2026)	5 January 2026
Mr. Choi Chi Fai (appointed on 16 April 2026)	16 April 2026
Mr. Christopher K Dinelli (appointed on 5 January 2026 and resigned on 23 March 2026)	5 January 2026
Mr. Lui Chun Pong (appointed on 5 January 2026)	5 January 2026
Mr. Eric Todd (appointed on 16 April 2026)	16 April 2026
Mr. Lam Cheung Shing, Richard (appointed on 16 April 2026)	16 April 2026
Ms. Yeung Ka Wai (appointed on 5 January 2026)	5 January 2026
Mr. Gu Feng (appointed on 5 January 2026 and resigned on 16 April 2026)	5 January 2026
Ms. Wu Yi (appointed on 5 January 2026 and resigned on 16 April 2026)	5 January 2026

The biographies of the Directors are set out under the section headed “Biographical Details of Directors and Senior Management” of this annual report.

During the year ended 31 March 2026, the Company has been in compliance with the requirements under rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three INEDs with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise. The Company has also complied with rule 3.10A of the Listing Rules relating to the appointment of INEDs representing at least one-third of the Board.

As each of the INEDs has confirmed his independence pursuant to rule 3.13 of the Listing Rules, the Company considers all of them to be independent parties.

All Directors, including the INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. INEDs are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards code provision C.1.5 of the CG Code requiring Directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as the identity and the time involved to the Company, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

CORPORATE GOVERNANCE REPORT (CONTINUED)

To ensure that independent views and input are available to the Board, the Company has established mechanisms including (i) strengthening the INEDs' recruitment process to include criteria such as each candidates' available time commitments and qualification; (ii) reviewing the number of INEDs on an annual basis; (iii) performing additional assessment or evaluation of INEDs' contribution; and (iv) where necessary, engaging external independent professional advisors to assist performance of Directors' duties. The Board reviews the implementation and effectiveness of the above mechanisms on an annual basis.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

Each Director was provided with the necessary training and information to ensure that he/she has proper understanding of the responsibilities under the Listing Rules and the applicable law, rules and regulations. The Directors are encouraged to participate in continuous professional development courses and seminars to develop and refresh their knowledge and skills. The Company will continue to arrange suitable training and regular seminars to provide the Directors with updates on the latest developments and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time.

During the year ended 31 March 2026, all Directors pursued continuous professional development and relevant details are set out below:

Name of Director	Types of Training
Executive Directors:	
Mr. Liu	Attending Training Course
Ms. Fung	Reading Materials
Non-Executive Director:	
Mr. Lui	Attending Training Course
INEDs:	
Mr. Gu	Attending Training Course
Ms. Wu	Attending Training Course
Ms. Yeung	Attending Training Course

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has signed a service contract with the Company for a term of two or three years commencing from their respective date of appointment subject to termination as provided in the service contract.

Each of the non-executive Director and INEDs has signed an appointment letter with the Company for a term of three years commencing from their respective date of appointment.

The appointments of executive Directors, non-executive Director and INEDs are subject to the provisions of retirement and rotation of Directors under the articles of association of the Company (the "Articles") and the applicable Listing Rules. The procedures and process of appointment, re-election and removal of Directors are set out in the Articles.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In accordance with article 16.19 of the Articles, at every annual general meeting, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director appointed pursuant to article 16.2 or article 16.3 of the Articles shall not be taken into account in determining which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

NOMINATION POLICY

The Board has adopted the Nomination Policy with effect from 1 January 2019 which sets out the criteria, process and procedures for the Nomination Committee to recommend suitable candidates for directorship with a view to ensuring that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business.

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider the following factors in assessing the suitability of the proposed candidate(s): (a) reputation for integrity; (b) accomplishment, experience and reputation in the industry and other relevant sectors; (c) commitment in respect of sufficient time, interest and attention to the Company's business; (d) diversity in all aspects, including but not limited to gender, age, cultural/educational and professional background, skills, knowledge and experience in assessing and selecting proposed candidates for directorship; (e) the ability to assist and support management and make significant contributions to the Company's success; and (f) compliance with the criteria of independence for the appointment of an independent non-executive director as required under the Listing Rules.

The following nomination procedures should be followed:

- The secretary of the Nomination Committee shall convene a meeting, and invite nominations of candidates from Board members (if any), for consideration by the Nomination Committee. The Nomination Committee itself may also nominate candidates for consideration.
- In the context of appointment of any proposed candidate to the Board, the Nomination Committee shall undertake adequate due diligence in respect of such individual and make recommendations for the Board's consideration and approval.
- In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.
- The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.

CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD MEETINGS, GENERAL MEETINGS AND ATTENDANCE OF DIRECTORS

The Company intends to hold Board meetings regularly, at least four times a year, and at approximately quarterly intervals.

Any Director who is not able to be present physically may participate at any Board meeting through electronic means of communication, such as telephone conference or other similar communication equipment, in accordance with the Articles.

Notice convening each regular Board meeting is sent at least 14 days in advance, and reasonable notice is given for other Board meetings. The company secretary of the Company assists the Chairman of the Board to prepare the meeting notice and agenda. Each Director may include any item in the agenda. The agenda, accompanied by meeting papers with sufficient and reliable information, are sent to each Director not less than 3 days before the date of a Board meeting to enable the Directors to make informed decisions on the matters to be discussed, except when a Board meeting is convened on a very urgent basis to consider any urgent ad hoc matter.

Minutes of Board meetings are recorded in sufficient details regarding the matters considered by the Board at the meeting and decisions reached. Draft minutes of board meetings are circulated to the Directors for review and the signed minutes are kept by the Company Secretary and open for inspection to any Director on request.

Each Director is expected to give sufficient time and attention to the affairs of the Company. The individual attendance records of each Director at the meetings of the Board and the Board Committees and the annual general meeting of the Company held during the year ended 31 March 2026 are set out below:

	No. of Meetings attended/ No. of Meetings held during the Director's tenure of office				
	Board	Remuneration Committee	Audit Committee	Nomination Committee	Annual General Meeting
Directors					
Executive Directors					
Mr. Liu	2/8	1/2	N/A	N/A	N/A
Mr. Dinelli	2/8	N/A	N/A	N/A	N/A
Mr. Lo	6/8	1/2	N/A	2/2	1/1
Ms. Fung	6/8	N/A	N/A	1/2	1/1
Non-executive Directors					
Mr. Lui	2/8	N/A	N/A	N/A	N/A
Mr. Li	6/8	N/A	2/2	N/A	1/1
INEDs					
Mr. Gu	2/8	1/2	N/A	N/A	N/A
Ms. Wu	2/8	1/2	N/A	N/A	N/A
Ms. Yeung	2/8	1/2	N/A	N/A	N/A
Mr. Shu	6/8	1/2	2/2	2/2	1/1
Mr. Victor Tam	6/8	1/2	2/2	2/2	1/1
Mr. WL Tam	6/8	1/2	2/2	2/2	1/1

CORPORATE GOVERNANCE REPORT (CONTINUED)

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Specific enquiry has been made to the executive Directors, non-executive Director and INEDs, who have confirmed that they have complied with the Model Code for the year ended 31 March 2026.

BOARD COMMITTEES

The Board has set up three Board Committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee particular aspects of the Company’s affairs.

Audit Committee

The Company’s Audit Committee was established on 17 January 2018 with specific written terms of reference stipulating its authorities and duties, which are available on the websites of the Company and the Stock Exchange.

As at 31 March 2026, the Audit Committee comprised three INEDs, namely Ms. Wu, Mr. Gu and Ms. Yeung. Ms. Wu is currently the chairlady of the Audit Committee. Ms. Wu possesses the appropriate accounting qualifications and experiences in financial matters. The Company has complied with rule 3.21 of the Listing Rules in that the Audit Committee must comprise a minimum of three members and must be chaired by an independent non-executive Director who possesses appropriate professional qualifications or accounting or related financial management expertise as required in rule 3.10(2) of the Listing Rules.

The main responsibilities of the Audit Committee are to review the consolidated financial statements and the auditor’s report, and to monitor the integrity of the consolidated financial statements. It also assists the Board to oversee risk management and internal control systems and internal and external audit functions.

The Audit Committee makes arrangement for holding at least two meetings and meeting external auditors twice to discuss the audit plan and to review the Company’s annual report and accounts during each financial year. During the year ended 31 March 2026, the Audit Committee held two meetings to conduct the following works:

- (1) reviewed the audited consolidated financial statements, annual results announcement and annual report of the Group for the year ended 31 March 2025;
- (2) reviewed the unaudited consolidated financial statements, interim results announcement and interim report of the Group for the six months ended 30 September 2025;
- (3) reviewed and considered the independence, objectivity and the effectiveness of the audit/interim review process;
- (4) reviewed and considered the financial controls, risk management and internal control systems; and
- (5) reviewed and considered adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function.

CORPORATE GOVERNANCE REPORT (CONTINUED)

It is confirmed that there is no disagreement between the Board and the Audit Committee's view on the re-appointment of external auditors, and they both have agreed to recommend the re-appointment of SHINEWING (HK) CPA Limited ("SHINEWING") as the Company's external auditor for the ensuing year at the 2026 annual general meeting of the Company.

Remuneration Committee

The Company's Remuneration Committee was established on 17 January 2018 with specific written terms of reference stipulating its authorities and duties, which are available on the websites of the Company and the Stock Exchange, and consists of a majority of INEDs. The purpose of the Remuneration Committee is to set policy on the remuneration of executive Directors' and senior management and for fixing remuneration packages for all Directors and senior management.

The main responsibility of the Remuneration Committee is to make recommendation to the Board on the remuneration policy and structuring for Directors and senior management and their remuneration package with reference to the Group's corporate goals and strategies. As at 31 March 2026, the Remuneration Committee comprised three INEDs, namely Ms. Wu, Mr. Gu and Ms. Yeung, and one executive Director, namely Mr. Liu. Ms. Wu is the chairlady of the Remuneration Committee.

The Remuneration Committee meets at least once a year to review the remuneration of each Director and make recommendations to the Board. The Remuneration Committee held two meetings during the year ended 31 March 2026 for reviewing and making recommendations to the Board on discretionary bonus of Executive Directors and senior management of the Group for the year ended 31 March 2026, and reviewing and making recommendations to the Board on the remuneration package of Directors and senior management of the Group for the year ended 31 March 2026.

Executive Directors and senior management of the Company are entitled to discretionary performance-related bonus payments which are determined with reference to the Group's operating results and their respective individual performance. Particulars of the remuneration payable to each Director for the year ended 31 March 2026 are set out in note 12 to the financial statements of this annual report.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the senior management (excluding the Directors) by band for the year ended 31 March 2026 is set out below:

Within the band of	Number of individuals
Nil to HK\$1,000,000	1

Nomination Committee

The Company's Nomination Committee consists of a majority of INEDs. It was established on 17 January 2018 with specific written terms of reference stipulating its authorities and duties, which are available on the websites of the Company and the Stock Exchange.

As at 31 March 2026, the Nomination Committee comprised three INEDs, namely Mr. Gu, Ms. Wu and Ms. Yeung, and one executive Director, namely Mr. Liu. Mr. Liu is the chairman of the Nomination Committee.

CORPORATE GOVERNANCE REPORT (CONTINUED)

One of the major duties of the Nomination Committee includes reviewing the structure, size and diversity of the Board at least annually. It is believed that a truly diverse board will include and make good use of the differences in the skills, background, experience, knowledge, expertise and other qualities of members of the board. The other duties of the Nomination Committee include making recommendations on any proposed changes to the Board, identifying individuals suitable and qualified to become Directors and making recommendations to the Board on the selection of individuals nominated for directorships.

The Nomination Committee meets at least once a year. The Nomination Committee held two meetings during the year ended 31 March 2026 to conduct the following works:

- (1) reviewed the structure, size and composition of the Board;
- (2) reviewed the Board Diversity Policy;
- (3) reviewed the Nomination Policy;
- (4) reviewed the independence of independent non-executive Directors and time commitment of Directors; and
- (5) making recommendations to the Board on appointment of Directors.

BOARD DIVERSITY POLICY

The Company had adopted a Board diversity policy which aims to set out the approach to achieve the diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Board has in its composition a balance of skills and experience necessary for decision making and fulfilling its business needs. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. The Nomination Committee will follow a range of diversified perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be made upon possible contribution that the selected candidates will bring to the Board. The Nomination Committee also monitors the implementation of this policy and reports to the Board on the achievement of the measurable objectives for achieving diversity under this policy.

For the purpose of implementation of the Board Diversity Policy, the following are the measurable objectives:

- (1) at least one third of the Directors shall be independent non-executive Directors;
- (2) at least one Director is female;
- (3) at least one Director shall have obtained accounting or other professional qualifications;
- (4) commitment in respect of available time and relevant interest of Director; and
- (5) accomplishment and experience in different industries.

CORPORATE GOVERNANCE REPORT (CONTINUED)

During the year ended 31 March 2026, the measurable objectives have been fulfilled by the Company.

The Board has achieved gender diversity as it currently has three female Directors. The Board will maintain at least one female Director to be a member of the Board. To develop a pipeline of potential successors to the Board to achieve gender diversity, the Company has adopted relevant hiring policies for considering candidates of senior management positions which would take into account diversity perspectives including gender diversity.

As at 31 March 2026, the ratio of male and female in the workforce (including the executive directors and senior management) is approximately 52% and 48% (2025: 45% and 55%), respectively.

As such, the Company's workforce (including the executive directors and senior management) has achieved gender diversity between males and females. The Company would continue to take into account of diversity perspectives including gender diversity in its hiring.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance functions set out in code provision A.2.1 of the CG Code:

- (1) to formulate and review the Group's corporate governance policies and practices;
- (2) to review and oversee the training and continuous professional development of Directors and senior management of the Group;
- (3) to review and oversee the Group's policies and practices in compliance with any requirements, guidelines and rules that may be imposed by the Board or which may be incorporated into any constitutional documents of the Group or which may have been provided by the Listing Rules, applicable laws and other regulatory requirements as well as by applicable institutional governance standards;
- (4) to formulate, review and oversee the code of conduct and the compliance handbook (if any) of the employees and Directors of the Group; and
- (5) to review the Group's compliance with the CG Code as adopted by it from time to time and the disclosure in the Corporate Governance Report as set out in the annual reports of the Company.

DIRECTORS' AND AUDITORS RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of financial statements which give a true and fair view of the state of affairs of the Group. In preparing the financial statements which give a true and fair view, it is fundamental that the appropriate accounting policies are selected and applied consistently. The reporting responsibilities of the Company's external auditor on the consolidated financial statements of the Group are set out in the independent auditor's report on pages 56 to 60 of this annual report. The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

CORPORATE GOVERNANCE REPORT (CONTINUED)

NON-COMPETITION UNDERTAKING OF THE CONTROLLING SHAREHOLDERS

On 19 December 2017, previous controlling shareholders of the Company, namely Mr. Lo Wing Cheung, Ms. Fung Pik Mei and Helios Enterprise Holding Limited (collectively the “**Previous Controlling Shareholders**”) have executed the deed of non-competition (the “**Deed of Non-Competition**”) in favour of the Company. As confirmed by the Previous Controlling Shareholders, they have not engaged in any business which competed or might compete with the business of the Group and they have complied with the undertakings given under the Deed of Non-competition in respect of the year ended 31 March 2026. The INEDs further confirmed that they have reviewed the terms of the Deed of Non-Competition and considered the compliance status of the same by the Controlling Shareholders and are satisfied that the Controlling Shareholders have complied with the terms of the Deed of Non-Competition throughout the year ended 31 March 2026.

AUDITOR’S REMUNERATION

During the year, the Group’s external auditors, SHINEWING, and its affiliated firm, provided assurance service and non-assurance service to the Group. Details of the fees paid/payable to SHINEWING and its affiliated firm during the year ended 31 March 2026 are as follows:

	HK\$
Assurance service	780,000
Non-assurance service	
– Taxation	38,000
	818,000

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for overseeing the Group’s risk management and internal control systems and reviewing the effectiveness of such systems through the Audit Committee on an annual basis. The Audit Committee assists the Board in fulfilling its oversight and corporate roles in the Group’s financial, operational, compliance, risk management and internal controls, while senior management designs, implements and monitors the risk management and internal control systems, and provides reports to the Board and the Audit Committee on the effectiveness of these systems. However, systems and internal controls can only provide reasonable but not absolute assurance against material misstatement or loss, as they are designed to manage, rather than to eliminate the risk of failure to achieve the Group’s business objectives.

The Group has established defined levels of responsibilities and reporting procedures. Controls have been designed and established to ensure that assets are safeguarded against improper use or disposal, financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group’s performance are identified and assessed.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Group has an internal audit function which is primarily responsible for developing various internal control manuals and procedures, conducting reviews on the key operational processes and the related internal controls to ensure compliance with the Group's risk management and internal control policies and procedures.

During the year ended 31 March 2026, the Group appointed Zhonghui Anda Risk Services Limited ("Zhonghui") to:

- assist in identifying and assessing the risks of the Group through a series of workshops and interviews; and
- independently perform internal control review and assess effectiveness and efficiency of the Group's risk management and internal control systems in relation to the financial, operational and compliance controls.

The results of the independent review and assessment were reported to the Audit Committee and the Board. Moreover, improvements in internal control and risk management measures as recommended by Zhonghui to enhance the risk management and internal control systems of the Group and mitigate risks of the Group were considered by the Board where appropriate. Based on the findings and recommendations of Zhonghui as well as the comments of the Audit Committee, the Board considered the internal control and risk management systems of the Group effective and adequate.

The Audit Committee has also reviewed and is satisfied with the adequacy of resources, staff qualifications and experience of the Group's accounting and financial reporting function.

Procedures and Controls over Handling and Dissemination of Inside Information

The Company is aware of its obligation under relevant sections of the Securities and Futures Ordinance (the "SFO") and the Listing Rules. An Inside Information Policy has been established to lay down guidelines on definition of inside information, compliance and reporting mechanism of inside information. All members of the Board, senior management, and staff who are likely to possess inside information are strictly bound by this policy. Staff who have access to inside information are required to keep such unpublished inside information confidential until relevant announcement is made. Failure to comply with such requirements may result in disciplinary actions.

COMPANY SECRETARY

The role of the company secretary of the Company was performed by Mr. Chau. The company secretary is responsible for facilitating the Board's communications among Board members, the Shareholders and the management of the Company and ensuring the Board policies and procedures, as well as the applicable laws, rules and regulations are followed.

Mr. Chau has confirmed that he took not less than 15 hours of relevant professional training during the year ended 31 March 2026 in compliance with rule 3.29 of the Listing Rules.

CORPORATE GOVERNANCE REPORT (CONTINUED)

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make informed investment decisions.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at www.kwantaieng.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

In addition to publication of information, the annual general meeting of the Company provides a forum for communication between Shareholders and Directors. The chairman of the Board in person chairs the annual general meeting to ensure Shareholders' views are communicated to the Board. Moreover, the briefing on the Company's business and the questions and answers session at the annual general meeting allow Shareholders to stay informed of the Group's strategies and goals.

After the Board has reviewed the implementation and effectiveness of the Shareholders' communication policy including steps taken at the annual general meeting and the handling of queries received (if any) which were conducted during the year ended 31 March 2026, the Shareholders' communication policy was found to be effective and adequate.

SHAREHOLDERS' RIGHTS

The Group is mindful of Shareholders' interest to ensure that they are treated fairly and are able to exercise their Shareholders' rights effectively. Shareholders' rights are entitled by the Articles and Shareholders are also encouraged to participate in the Company's general meetings.

Convening of Extraordinary General Meeting

In accordance with the Articles, any one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice, to require an extraordinary general meeting (the "EGM") to be called by the Directors for the transaction of any business specified in such requisition. Such requisition shall be made in writing to the Board or the company secretary of the Company which is situated at Room 806, 8/F., Eastern Centre, 1065 King's Road, Quarry Bay, Hong Kong. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Procedures for Putting Forward Proposals by Shareholders at Shareholders' Meeting

To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of the proposal (the **"Proposal"**) with his/her/its detailed contact information at the Company's headquarters and principal place of business of the Company in Hong Kong, with a copy of the Proposal served to the Company's Hong Kong branch share registrar at their respective address.

The request will be verified with the Company's Hong Kong branch share registrar and upon their confirmation that the request is proper and in order, the Board will be asked to include the Proposal in the agenda for the general meeting.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the headquarters of the Company at Room 806, 8/F., Eastern Centre, 1065 King's Road, Quarry Bay, Hong Kong.

POLICY ON PAYMENT OF DIVIDENDS

The Board has adopted the policy with effect from 1 January 2019 that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.

The Company currently does not have any pre-determined dividend distribution ratio and may declare dividends by way of cash or scrip or by other means that the Directors consider appropriate. A decision to declare any interim dividend or recommend any final dividend would require the approval of the Board and depend upon the following factors:

- (a) the Group's financial results;
- (b) the shareholders' interests;
- (c) general business conditions, strategies and future expansion needs;
- (d) the Group's capital requirements;
- (e) the payment by its subsidiaries of cash dividends to the Company;
- (f) possible effects on liquidity and financial position of the Group; and
- (g) other factors as the Board may consider appropriate.

CONSTITUTIONAL DOCUMENTS

At the annual general meeting of the Company held on 20 August 2025, a special resolution was passed to adopt the fourth amended and restated memorandum and articles of association of the Company (the **"Articles"**), primarily to (i) update and bring the Existing Memorandum and Articles of Association in line with the relevant amendments made to the Listing Rules in respect of the hybrid general meeting and electronic voting (effective from 10 February 2025); and (ii) incorporate certain housekeeping amendments. A copy of the latest consolidated version of the Articles is posted on the Company's and the Stock Exchange's respective websites. Save as the above, there was no significant change in the Company's constitutional documents during the year ended 31 March 2026.

REPORT OF THE DIRECTORS

The Board presents to the Shareholders this annual report together with the audited financial statements of the Company and the Group for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 1 to the consolidated financial statements. There was no significant change in the Group's principal activities during the year ended 31 March 2026.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2026 are set out in the consolidated statement of profit or loss and other comprehensive income on page 62.

The Board does not recommend the payment of a final dividend for the year ended 31 March 2026 (2025: nil).

CHARITABLE DONATIONS

No charitable donations have been made by the Group during the year ended 31 March 2026 (2025: nil).

DISTRIBUTABLE RESERVES

As at 31 March 2026, the Company had reserves which amounted to approximately HK\$59.7 million (2025: HK\$80.9 million) available for distribution as calculated based on the Company's share premium, other reserves and retained earnings under applicable provisions of the Companies Law in the Cayman Islands.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 March 2026 are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the year ended 31 March 2026 in the share capital of the Company are set out in note 29 to the consolidated financial statements.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries had sold, purchased or redeemed any of the Company's listed securities during the year ended 31 March 2026.

GROUP FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 124. This summary does not form part of the audited financial statements.

REPORT OF THE DIRECTORS (CONTINUED)

BUSINESS REVIEW

The review of the business of the Group during the year ended 31 March 2026 and the discussion on the Group's future business development are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis", and the description of principal risks and uncertainties faced by the Group and key financial performance indicators are set out in the section headed "Management Discussion and Analysis" of this annual report. The financial risk management objectives and policies of the Group are set out in note 6 to the consolidated financial statements. In addition, discussions on the Group's relationships with key stakeholders, environmental policies and compliance with relevant laws and regulations which have a significant impact on the Group are as follows:

Relationship with Key Stakeholders

The Group's success depends on the support from key stakeholders which comprise employees, customers and suppliers.

Employees

The Group is committed to establish a close and caring relationship with its employees. The Group provides a fair and safe workplace, promotes diversity to staff and provides competitive remuneration, benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide adequate trainings and development resources to employees so that they can keep abreast of the latest development of the market and the industry, and improve their performance and self-fulfillment in their respective positions.

Customers and suppliers

The major customers of the Group include some of the major main contractors in Hong Kong. Many of the Group's five largest customers and suppliers have established long term business relationship with the Group. The Directors believe that such long-term relationships represent confidence and trust from business partners and acknowledgement of the Group's ability.

The Group recognises the importance of maintaining good relationships with customers, suppliers and subcontractors to achieve its long-term business growth and development. Accordingly, the Group has kept good communications and shared business updates with business partners when appropriate.

During the year ended 31 March 2026, the Group's five largest customers in aggregate accounted for approximately 77.2% (2025: approximately 61.0%) of the Group's total revenue. The largest customer accounted for approximately 46.9% (2025: approximately 29.8%) of the Group's total revenue.

During the year ended 31 March 2026, the Group's five largest suppliers in aggregate accounted for approximately 40.7% (2025: approximately 37.0%) of the Group's total cost of sales and services. The largest supplier accounted for approximately 26.1% (2025: approximately 21.1%) of the Group's total cost of sales and services.

During the year ended 31 March 2026, the Group's five largest subcontractors in aggregate accounted for approximately 47.9% (2025: approximately 43.8%) of the Group's total cost of sales and services. The largest subcontractor accounted for approximately 30.9% (2025: approximately 20.2%) of the Group's total cost of sales and services.

To the best of the knowledge of the Directors, none of the Directors, their close associates or any shareholder which to the knowledge of the Directors owns more than 5% of the Company's share capital had an interest in these major customers, suppliers and subcontractors.

REPORT OF THE DIRECTORS (CONTINUED)

Environmental Policies

The environmental policies of the Group are set out in the section headed “Environmental, Social and Governance Report” of this annual report.

Compliance with Relevant Laws and Regulations

The Directors confirmed that during the year ended 31 March 2026 and up to the date of this annual report, the Group had obtained all the registrations and certifications required for its business and operations and had complied with the applicable laws and regulations in the jurisdictions which the Group operates.

DIRECTORS

The Directors of the Company during the year ended 31 March 2026 and up to the date of this report were:

Executive Directors

Mr. Liu Chuang (*Chairman*)

Mr. Choi Chi Fai (appointed on 16 April 2026)

Mr. Christopher K Dinelli (appointed on 5 January 2026 and resigned on 23 March 2026)

Mr. Lo Wing Cheung (resigned on 5 January 2026)

Ms. Fung Pik Mei

Non-executive Directors

Mr. Lui Chun Pong (appointed on 5 January 2026)

Mr. Li Pui Ho (resigned on 16 December 2025)

INEDs

Mr. Eric Todd (appointed on 16 April 2026)

Mr. Lam Cheung Shing, Richard (appointed on 16 April 2026)

Mr. Gu Feng (appointed on 5 January 2026 and resigned on 16 April 2026)

Ms. Wu Yi (appointed on 5 January 2026 and resigned on 16 April 2026)

Ms. Yeung Ka Wai (appointed on 5 January 2026)

Mr. Shu Wa Tung Laurence (resigned on 5 January 2026)

Mr. Tam Wai Tak Victor (resigned on 5 January 2026)

Mr. Tam Wing Lok (resigned on 5 January 2026)

Information regarding Directors’ emoluments are set out in note 12 to the consolidated financial statements.

The Directors’ biographical details are set out in the section headed “Biographical Details of Directors and Senior Management” in this annual report.

In accordance with article 16.2 of the Articles, any Director appointed by the Board either to fill a casual vacancy or as an addition to the existing Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

REPORT OF THE DIRECTORS (CONTINUED)

Pursuant to article 16.19 of the Articles, at every annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

Accordingly, all directors will retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company has received from each of the INEDs, an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules. The Company considers all of the INEDs to be independent.

DIRECTORS' SERVICE CONTRACT

Each of the executive Directors has entered into a service contract with the Company for a fixed term of 2 or 3 years and shall continue thereafter until terminated by not less than 3 months' written notice to the other party.

The non-executive Director and each of the INEDs has entered into a letter of appointment with the Company for a fixed term of 3 years. The appointment is subject to termination under certain circumstances as stipulated in the said letter of appointment, and the provisions of the Articles with regard to vacation of office of Directors, removal and retirement by rotation of Directors.

Each of the executive Directors, non-executive Director and INEDs is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles.

Apart from the foregoing, none of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 March 2026 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director nor a connected entity of a Director 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 holding company of the Company, or any of the Company's subsidiaries or fellow subsidiaries was a party during the year ended 31 March 2026.

REPORT OF THE DIRECTORS (CONTINUED)

CONTRACTS OF SIGNIFICANCE

No contracts of significance in relation to the Group's business in which the Company, any of its subsidiaries or fellow subsidiaries, or its parent company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the year ended 31 March 2026.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour, or in which he/she is acquitted. The Company has also arranged appropriate liability insurance in respect of legal action against the Directors. The relevant provisions in the Articles and the aforesaid liability insurance was in force during the year ended 31 March 2026 and as of the date of this report.

EQUITY-LINKED AGREEMENTS

Save as disclosed under the section headed "Share Option Scheme" below, no equity-linked agreements were entered into by the Group, or existed during the year ended 31 March 2026.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2026, the interests and short positions of the Directors or chief executive of the Company in the shares of the Company (the "**Shares**"), or any of the associated corporations (within the meaning of Part XV of the SFO) which shall have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO) or shall be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or shall be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

Long Positions in Shares

Name of Director	Capacity/Nature of interest	Number of Shares held	Percentage of shareholding
Mr. Liu Chuang (" Mr. Liu ")	Interest in a controlled corporation (Note)	621,316,000	77.66%

*Note: These 621,316,000 Shares are held by Mars Nest Limited ("**Mars Nest**"), a company incorporated in the British Virgin Islands and wholly owned by Mr. Liu. Therefore, Mr. Liu is deemed to be interested in all the Shares held by Mars Nest for the purposes of the SFO.*

Save as disclosed above, as at 31 March 2026, none of the Directors or chief executive of the Company had registered an interest or short position in the Shares or underlying Shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) 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 he was taken or deemed to have under provision of the SFO) or were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

REPORT OF THE DIRECTORS (CONTINUED)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as is known to the Directors, as at 31 March 2026, the following persons (not being a Director or chief executive of the Company) who had interests or short positions in the Shares, the underlying Shares and debentures of the Company and its associated corporation within the meaning of Part XV of the SFO which were required to be disclosed pursuant to the provision of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein, were as follows:

Name of Shareholder	Capacity/Nature of interest	Number of Shares held (L)	Percentage of shareholding
Mars Nest	Beneficial owner	621,316,000	77.66%
Lee Ho Yuen	Beneficial owner	90,000,000	11.25%

Note: The letter "L" denotes long position in the Company's Shares.

Save as disclosed above, as at 31 March 2026, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares or debentures 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, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein.

SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 19 December 2017. From the date of the adoption of the Share Option Scheme and up to the end of the reporting period, no share option has been granted, or agreed to be granted, under the Share Option Scheme. The number of options available for grant under the Share Option Scheme as at 1 April 2025 and 31 March 2026 was 80,000,000, representing 10% of the aggregate of the Shares in issue as at the date of this annual report. The number of options available for issue under the Share Option Scheme was 80,000,000 as at the date of this annual report, representing 10% of the aggregate of the Shares in issue as at the date of this annual report.

1. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward its employees, Directors and other selected participants for their contributions to the Group.

2. Participants of the Share Option Scheme and the basis of determining the eligibility of the participants

On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules, the Board may offer to grant an option, to any Director(s) (including executive Directors, non-executive Director and INEDs) and employee(s) of any member of the Group and any advisers, suppliers, customers, business partners of any member of the Group who the Board considers, in its absolute discretion and on such terms as it deems fit, have contributed or will contribute to the Group, to subscribe for shares in the Company in accordance with the terms of the Share Option Scheme.

REPORT OF THE DIRECTORS (CONTINUED)

3. Grant of options

On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules (in particular as to grant of options to Directors, chief executives and substantial shareholders of the Company or their respective associates), the Board shall be entitled at any time within 10 years after the date of adoption of the Share Option Scheme to make an offer for the grant of an option to any participant as the Board may in its absolute discretion select. The offer shall specify the terms on which the option is granted. Such terms may include any minimum periods for which an option must be held and/or any minimum performance targets that must be reached, before the options can be exercised in whole or in part, and may include at the discretion of the Board other terms imposed (or not imposed) either on a case by case basis or generally.

4. Payment on acceptance of option offer

An offer shall remain open for acceptance by the participant concerned for a period of 21 days from the date of the offer. HK\$1.00 is payable by the participant who accepts an offer of the grant of an option in accordance with the terms of the Share Option Scheme (the “**Grantee**”) to the Company on acceptance of the offer of the option.

5. Subscription price

The subscription price shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option but the subscription price shall not be less than the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant (provided that in the event that any option is proposed to be granted within a period of less than 5 business days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the offer of new Shares shall be used as the closing price for any business day falling within the period before listing of the Shares on the Stock Exchange); and
- (c) the nominal value of a Share on the date of grant.

6. Option period

The period within which the Shares must be taken up under an option shall be the period of time to be notified by the Board to each Grantee at the time of making an offer, which shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 10 years from the date of grant of the relevant option.

7. Maximum number of Shares subject to options

- (a) The aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and other share option schemes of the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the Shares in issue from time to time;
- (b) The Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other share option schemes of the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not exceed 80,000,000 Shares, representing 10% of the aggregate of the Shares in issue on the Listing Date (the “**General Scheme Limit**”);

REPORT OF THE DIRECTORS (CONTINUED)

- (c) The Company may refresh the General Scheme Limit at any time subject to prior Shareholders' approval. However, the General Scheme Limit as refreshed shall not exceed 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval. Options previously granted under the Share Option Scheme and other share option schemes of the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled, lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the limit as refreshed;
- (d) The Company may also seek separate Shareholders' approval for granting options beyond the General Scheme Limit to participants specifically identified by the Company before the aforesaid Shareholders' meeting where such approval is sought;
- (e) The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised, cancelled and outstanding options) in any 12 month period shall not exceed 1% of the Shares in issue (the "**Individual Limit**"). Any further grant of options to a participant which would result in the Shares issued, and to be issued, upon exercise of all options granted, and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12 month period up to and including the date of grant of such further options exceeding the Individual Limit shall be subject to Shareholders' approval in advance, with such participant and his close associates (or his associates if such participant is a connected person) abstaining from voting.

8. Vesting period of options under the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

CONNECTED TRANSACTION

The Group had not entered into any transactions which constituted connected transactions (including continuing connected transactions) which is subject to annual review and disclosure requirements under Chapter 14A of the Listing Rules during the year ended 31 March 2026.

RELATED PARTY TRANSACTIONS

The related party transactions entered into by the Group during the year ended 31 March 2026 are continuing connected transactions which are exempted from the reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

MANAGEMENT CONTRACTS

Save for contract of service with the Directors, no contract by which a person undertakes the management and administration of the whole or any substantial part of the Company's business was entered into or subsisted during the year ended 31 March 2026.

REPORT OF THE DIRECTORS (CONTINUED)

COMPETING BUSINESS

During the year ended 31 March 2026, none of the Directors or the controlling shareholders of the Company and their respective associates had any interests in a business, apart from the business of the Group, which competes or may compete with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under rule 8.10 of the Listing Rules.

EMOLUMENT POLICY

The emolument policy of the employees of the Group was set up by the Board on the basis of their merit, qualifications and competence. The emolument of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a Share Option Scheme as an incentive to eligible persons, details are set out under the paragraph headed "Share Option Scheme" in this annual report.

RETIREMENT BENEFIT SCHEME

Details of the Group's retirement benefit schemes are set out in note 34 to the consolidated financial statements.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holding the Company's securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of the Company or the laws of Cayman Islands, being 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.

PUBLIC FLOAT OF THE COMPANY

References are made to (i) the joint announcement of Mars Nest Limited and the Company dated 16 December 2025; and (ii) the announcements of the Company dated 20 January 2026, 16 March 2026, 30 April 2026 and 7 May 2026 in relation to, among other matters, the public float of the Company.

As stated in the joint announcement dated 16 December 2025, immediately upon the close of the offer and as at the date of the joint announcement, 88,684,000 shares (representing approximately 11.09% of the then entire issued share capital of the Company), are held by the public (as defined under the Listing Rules). Accordingly, as at the date of the joint Announcement, the Company was not able to fulfill the minimum public float requirement as set out under Rule 8.08(1) of the Listing Rules. The Stock Exchange had granted temporary waiver from strict compliance with Rule 13.32B of the Listing Rules from 16 December 2025 to 8 May 2026. Upon completion of the placing of 111,316,000 shares held by Mars Nest Limited on 7 May 2026, a total of 200,000,000 Shares are held by the public. As such, the Company has restored its public float to 25% from approximately 11.09%. Accordingly, the Company has fulfilled the minimum public float requirement under Rule 13.32B of the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this annual report, there is no material subsequent event undertaken by the Company or by the Group after 31 March 2026 and up to the date of this annual report.



REPORT OF THE DIRECTORS (CONTINUED)

AUDITOR

The consolidated financial statements have been audited by SHINEWING (HK) CPA Limited, who retire and, being eligible, offer themselves for reappointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Twintek Investment Holdings Limited

Liu Chuang

Chairman

Hong Kong, 30 June 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

This is the Environmental, Social and Governance Report (the “**ESG Report**”) published by Twintek Investment Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”). In accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) set out in Appendix C2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited, this report describes the initiatives and performance of the Group with regard to the issues identified during the year ended 31 March 2026.

This ESG Report summarises the environmental, social and governance (“**ESG**”) initiatives, plans and performances of the Group.

The Board acknowledges its responsibility for ensuring the integrity of the ESG Report. The Group is committed to develop sustainability in accordance with the ESG management principles by building the Group as an open, transparent and fair enterprise with due consideration of the environmental and social responsibilities with its business objectives, planning and operation. We will keep working towards achieving long-term sustainable growth of our business while safeguarding stakeholders’ interests.

REPORTING SCOPE AND PRINCIPLES

This ESG Report focuses on the operation of the Group’s business segment of sales of building materials and provision of construction and engineering services (i.e. construction contracts). The information published in this ESG Report covers the period from 1 April 2025 to 31 March 2026, unless otherwise stated, which is the same as the financial year covered in the Group’s annual report for the year ended 31 March 2026.

This report is prepared in accordance with the following reporting principles:

- **Materiality:** The Group identified key ESG topics through stakeholder engagement and materiality assessment, which has been disclosed in this ESG Report;
- **Balance:** The ESG Report presented the Group’s environmental and social performance in an unbiased manner;
- **Quantitative:** Information on the standards, methodologies and source of conversion factors used for the reporting of emission and energy consumption has been disclosed in this ESG Report;
- **Consistency:** The methodology for disclosing key environmental performance indicators is consistent with that of the previous year.

The data and information used in this report are referenced from our archived documents, records, statistics and research. Financial data are extracted from or calculated based on the Group’s audited annual financial statements for the year ended 31 March 2026. The ESG report has been reviewed and approved by the Board.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The long-term success of the Group is built upon commitment with responsibility towards stakeholders. The Directors also believe that it is essential for the Group to be environmentally responsible and to meet customers' demands in environmental protection and at the same time meeting the community's expectation for a healthy living and working environment. Communication with various stakeholders allow the Group to have a better understanding on stakeholders' needs and expectations with its business practice and manage different stakeholders' opinions. The Group constantly communicates with key internal and external stakeholders via various channels. This ensures that they have the opportunity to learn about the Group's development and operation directions and offers the Group an opportunity to listen to them in order to identify the issues and develop corresponding policies.

The below table highlights the key stakeholders and the communication channels:

Major stakeholder groups	Requirements and expectation	Response and key communication channels
Shareholders and investors	Steady returns Operation compliance Transparency and effective communication	Annual general meeting Regular corporate publications including financial statements Circulars and announcements whenever necessary Emails, telephone conversation and company website
Employees	Protection of rights Occupation health Remuneration and benefits Career development	Internal meetings whenever needed Email communication Training and workshop Performance review
Suppliers and subcontractors	Operate with integrity Equal rivalry Performance of contracts	Meetings On-site audit Management system
Customers	Outstanding products and services Health and safety Performance of contracts Operate with integrity	Setup customer service hotline Meeting with customers Hold marketing and promotion activities Regular update company website
Media and the public	Corporate governance	Issue of announcement and update company website
Community	Enhancement of community environment Participation in charity	Community activities Charitable activities like donations ESG reports

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Materiality Assessment

Through stakeholder engagement processes based on the aforementioned channels, the Group has conducted a comprehensive materiality assessment with its stakeholder groups to identify corresponding ESG issues with reference to the ESG Reporting Guide, and assess their materiality to the Group's operations.

- Step 1 identify: the Group carries out an initial screening of the ESG Reporting Guide to identify the material sustainability issues.
- Step 2 prioritise: the Group invites internal and external stakeholders to rank and the materiality of the issues identified in Step 1. Results of the stakeholder engagement are compiled and analysed.
- Step 3 analyse: the Group's senior management discusses the results of Steps 1 and 2 for analysing and confirming the list of material issues to be disclosed in this Report.
- Step 4 review: the Group regularly reviews sustainability issues and their corresponding impact on the Group's operations to ensure relevance and materiality to the Group on a continuous basis.

For the current year, the material ESG issues identified by the Group and its stakeholders are as below:

Subject area	Most material aspects within the subject area
Social – Operating practices	Ensuring service and product quality
	Protecting customers' personal data
Social – Employment and labour practices	Providing a safe working environment
	Ensuring employees' occupational health and safety
Environmental	Focusing on enhancing products with eco-friendly elements

The Group is committed to monitor the above aspects and will continue to keep close communication with its stakeholders for better ESG performance, and more effective ESG risk management and internal control system.

ENVIRONMENTAL

The Group is committed to minimising negative impact caused by its operations on the environment.

With the understanding that the establishment of organisation and management approach for internal environmental management is crucial towards sustainable development, the Group has developed a system under the Environmental Management System Manual by reference to ISO 14001 for the supply and installation of the Group's products of timber flooring and gypsum blocks. The system defined the Group's commitment, policies, objectives, division of responsibilities, control procedures and monitoring and auditing systems in environmental management. The Group has been awarded the ISO 14001:2015 certification since 2019. Environmental policies have been communicated to all personnel concerned within the organisation to ensure that all are aware of the relevance and importance of their activities and how they contribute to the achievement of the environmental objectives under their respective functions and the organisation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

EMISSIONS

Air Emissions

The major source of the Group's air pollutants was private cars use, involving air emissions of Nitrogen Oxides, Sulphur Oxides and Respirable Suspended Particles. With the decrease in business activities during the year ended 31 March 2026, the air emissions decrease accordingly.

Air pollutants	2026 Total Emission (kg)	2025 Total Emission (kg)
Air pollutants		
Nitrogen Oxides ("NO _x ")	4.44	7.09
Sulphur Oxides ("SO _x ")	0.05	0.08
Respirable Suspended Particles ("RSP")	0.33	0.52

Greenhouse Gas ("GHG") emissions

The Group generates direct GHG through burning of petrol from its use of private cars. Indirect GHG emissions are generated from purchased electricity and purchases of gypsum block products from Germany by vessels.

A total of 63.5 tonnes CO₂-e GHG were emitted for the year ended 31 March 2026. Compared to 396.1 tonnes CO₂-e GHG were emitted for the year ended 31 March 2025, the drop in CO₂-e GHG emitted is directly related to the decrease demand of the German made gypsum block products and the number of shipments dropped. The table below summarises the scope and activities of GHG emissions for the years ended 31 March 2026 and 2025.

Scope	Activity	2026 GHG emission (tonnes CO ₂ -e)	%	2025 GHG emission (tonnes CO ₂ -e)	%
Scope 1	Direct emissions – Consumption of petrol	9.0	14.2	14.1	3.6
Scope 2	Energy indirect emissions – Purchased electricity	35.4	55.7	42.9	10.8
Scope 3	Other indirect emissions – Shipping of gypsum block products from Germany	19.1	30.1	339.1	85.6
	Total	63.5	100.0	396.1	100.0

The Group has implemented measures to reduce energy consumption. Such measures will be described in "Use of Resources". Through the implementation of such measures, the employees' awareness of reducing GHG emissions has been increased.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Waste

To the best of the Group's knowledge, the Group did not generate any hazardous waste during the year ended 31 March 2026. Non-hazardous waste including domestic garbage and office paper arises in the Group's daily office operations.

The Group did not note a disproportional amount of non-hazardous waste produced. The Group endeavours to extend the scope of disclosure of other non-hazardous waste produced when the data collection process matures.

The Group places great effort in raising the awareness of its employees on the importance of reducing waste production and has adopted the environmentally friendly measures to enhance its performance in this regard. Such measures will be described in "Use of Resources". Employees' awareness of reducing waste production has increased as a result of these implementations.

Use of Resources

The Group used a wide range of resources including electricity for daily operations and fuel consumption from private car use. For energy use, purchased electricity was the largest type of energy end-use, mainly for electrical appliances at the Group's headquarters.

The consumption data and consumption intensity for the years ended 31 March 2026 and 2025 are summarised below:

Use of resources	2026		2025	
	Consumption	Intensity (per employee)	Consumption	Intensity (per employee)
Electricity	44,794 kWh/m ²	1,659.04 kWh/m ²	54,249 kWh/m ²	1,749.97 kWh/m ²
Petrol	3,314.62 litres	122.76 litres	5,218.3 litres	168.33 litres
Water	105 m ³	3.89 m ³	132 m ³	4.26 m ³
Packaging material	Nil	Nil	Nil	Nil

The Group recognises that a core component of maintaining sustainable development is to manage its use of resources. Hence, the Group has adopted various measures to reduce the wastage of resources:

Resources	Measures
Energy	- Switch off electrical appliances and systems when not in use - Select and procure high energy efficiency equipment certified with grade 1 energy labels by the Electrical and Mechanical Services Department
Paper	- Maintain and repair electrical appliances regularly - Set up recycling points to collect used paper - Encourage use of both sides of paper
Water	- Monitor water consumption regularly for any irregularities - Repair dripping faucets in a timely manner

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

During the year ended 31 March 2026, the Group has participated in the Energy Saving Charter 2025 organised by the Electrical and Mechanical Services Department and committed to maintain an average indoor temperature between 24–26°C during the summer months of June to September in 2025. The Group is also committed to switching off electrical appliances and systems when not in use and procuring energy efficient electrical appliances (such as Grade 1 energy labels) and systems, and encourages employees to adopt the above energy saving practices together.

The Group actively promotes the importance of water conservation to its employees. Through the implementation of above water-saving measures, employees' awareness of water conservation has been increased. Due to the geographical location of the Group's premises, the Group did not encounter any problem in sourcing water that was fit for purpose.

Due to the Group's business nature, the use of packaging material was not considered to be a material ESG aspect to the Group.

The Environment and Natural Resources

The Group is devoted to being environmentally friendly and is one of the responsible enterprises in the building and construction industry. To promote responsible management of the world's forests, the Group has obtained the certification issued by the Forest Stewardship Council (the "FSC") by encouraging the Group's customers to select FSC certified wood flooring products, wood doors and furniture. In addition, the Group's gypsum block product was certified as Green Building product with platinum rating under the Hong Kong Green Building Council Green Product Accreditation and Standards (HK G-PASS).

The Group is committed to continue focusing on enhancing its existing products with eco-friendly elements to demonstrate its determination on environmental protection and respond to the community's increasing concern on this topic.

Additionally, the Group will perform regular reviews to ensure emission and energy objectives are met and continue to encourage staff participation on environmental protection concept via workshops.

The Group is committed to monitoring and managing its environmental footprint. During the year ended 31 March 2026, the Group was not aware of any non-compliance or violation of environmental laws and regulations regarding emission and discharge from relevant Government authorities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Climate-related Governance

Climate change has been posing more challenges among all industries and its business operation, and the Group is committed to managing the climate-related risks and providing a low carbon working environment across its operation to mitigate the impact of climate change on its operations. Therefore, the Group integrates climate change considerations into the core strategy and enhances climate-related risk assessments to fully evaluate the material impacts on the business. This enables the development of targeted mitigation measures. Starting from the Year, the Group will disclose climate-related information based on a four-pillar framework (Governance, Strategy, Risk Management, and Metrics and Targets) in compliance with Appendix C2 of the Listing Rules.

The Group conducts regular monitoring and, when necessary, adopts appropriate measures to minimise the impact of climate-related risks. There have been no changes to the processes for monitoring such risks compared with the previous reporting period.

Climate Adaption Planning and Risk Mitigation Measures

The Group will continuously monitor and adopt feasible strategies or industry practices' relevant to our business for managing climate-related risks.

In alignment with the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD), we systematically and continuously assess potential physical and transition risks while proactively evaluating climate-related opportunities across our operations. The Group defines short-term as up to 2026/27, medium-term as up to 2030/31, and long-term as up to 2050/51.

Short-term: Defined as one year according to the Company's FY2026/27 annual report, which considers short-term as a one-year period. This reflects the Group's immediate horizon for assessing and managing climate-related risks.

Medium-term: Aligned with the Company's definition under its TCFD framework, where 2030/31 represents the medium-term target year for evaluating climate-related risks and opportunities.

Long-term: Consistent with the Company's TCFD-based definition and strategically aligned with policy roadmaps, as 2050/51 is the reference year set out in the Climate Action Plan 2050 and in many national and sectoral net-zero strategies.

Climate change presents both risks and opportunities. We take a balanced approach that considers potential positive and negative impacts, enabling us to maximise value while minimising adverse effects on our business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Physical Risks, Transition Risks and Opportunities

We categorise climate-related impacts into physical risks, transition risks and opportunities that are reasonably expected to affect our cash flows, access to finance, or cost of capital.

- Physical risks: These include acute events – such as extreme heat, rainfall, storms and other natural disasters – that may disrupt our supply chain and infrastructure, as well as chronic changes like rising sea levels and shifting climate patterns that could affect long term business viability.
- Transition risks: They stem from the global shift toward a low carbon economy, including more stringent laws and regulations on environmental protection, carbon emission and waste generation. Technological developments and changing market preferences for green companies may require adjustments to our business model and operations. These changes may lead to increased risks of regulatory non-compliance resulting in legal, technological, market and reputational risks.
- Opportunities: The transition to a low-carbon business model may bring us opportunities. Growing ESG awareness among consumers gradually shapes the market as preferences shift toward more responsible businesses. Efforts to improve energy efficiency and reduce waste not only lower operating costs in the short-term but also help streamline and optimise operations over the medium term. Emerging low-carbon markets are expected to mature within the next three to ten years, creating new opportunities for growth and innovation. By actively disclosing ESG performance and taking concrete action, we can enhance our reputation, attracting new capital and customers.

During the Reporting Period, the Group identified the following climate-related risks and opportunities, and mitigation:

Physical risks

Type of Risk	Risk Factor	Key Risk Drivers	Potential Operational and Financial Impacts	Level of Risk Impact	Mitigation
Acute risk (Time horizon: Short to Long-term)	Extratropical storm	More frequent and severe storm events	- Reduced production capacity due to transportation difficulties and supply chain disruptions, leading to decreased revenue - Caused damage to our employees and subcontractors and increased the cost of sales	Medium	- Diversify the suppliers on hand - Adopt flexible working arrangements and employees may work from home in adverse weather conditions
Chronic risk (Time horizon: Short to Long-term)	Rising mean temperatures	As average temperatures rise, assets may experience accelerated wear and tear, and the performance of certain materials and equipment may be affected	Increased operational costs due to higher frequency of cooling equipment such as air conditioning	Low	- Select and procure high energy efficiency equipment certified with grade 1 energy labels by the Electrical and Mechanical Services Department - Install sunblock filter on windows

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Transition risks

Type	Risk/ Opportunities Driver	Potential Impact	Opportunities	Mitigation
Policy/regulations (Time horizon: Mid to Long-term)	Tightening building materials efficiency and carbon reduction policies	- Increased compliance operational costs - Rising R&D investment	- Expanding energy efficiency markets - Enhancing building materials competitiveness	Investigate the possibility of incorporating climate change considerations in its procurement process
Market, reputation, and responsibility (Time horizon: Mid to Long-term)	Rising carbon emission costs, with customers increasingly favouring environmentally friendly and green buildings materials	- Increased operating costs - Market demand fragmentation - Reputational risk	- Driving sustainable investment - Attracting high-value employers - Enhancing brand trust	Encourage green purchase, i.e. purchase of building materials with low carbon, low embodied-energy and energy efficient products and materials
Supply chains (Time horizon: Short to Long-term)	Increased demand for green building materials	Rising material procurement costs	- Boosting construction competitiveness - Promoting industry synergy	Encourage green purchase, i.e. purchase of building materials with low carbon, low embodied-energy and energy efficient products and materials

The Group currently does not have a formal climate-related transition plan or a dedicated budget specifically for climate-related risks and opportunities. Nevertheless, we manage environmental initiatives through our existing operational framework. Resources for energy-saving upgrades and sustainability training are allocated from general operating and capital expenditure budgets on a case-by-case basis. We will continue to monitor the necessity of a formal transition plan and adjust our resource allocation as regulatory requirements and our operational needs evolve.

Climate Resilience

The Group recognises climate change as a critical global challenge with far reaching irreversible consequences to the world and our business. Although we are not a high-emission industry player, we are committed to work towards addressing climate-related risks and opportunities. The Group has not conducted a formal climate-related scenario analysis and, accordingly, has not provided a detailed assessment of its climate resilience at this stage. As a growing enterprise with focused operations, the Group currently lacks specialised internal skills, technical capabilities, and localised data required to perform meaningful quantitative scenario modeling without incurring undue cost or effort. Instead, we manage climate resilience through our existing risk management framework and disaster recovery protocols, particularly regarding physical risks such as extreme weather. The Group will periodically review its capacity and the availability of simplified industry tools to determine when a proportionate scenario analysis can be effectively integrated into our reporting.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Climate Risk Management

The Group has in place a comprehensive risk management framework. Climate related risk and opportunity identification, assessment, prioritisation, and management are fully integrated into the Group's overall risk management processes.

Climate-related risks and opportunities are examined across the Group's operations and value chain using both internal and external data through a coordinated, multi-level process. Strategic direction is set at the top, with the Board providing oversight and regularly reviewing the most significant climate-related issues. When a potential risk is identified, the relevant department will design and carry out mitigation actions, followed by ongoing reviews to ensure that the controls remain robust and effective over time.

The Group does not currently incorporate climate-related scenario analysis into its risk identification process. At present, climate-related risks are identified and assessed through qualitative risk management methodologies, leveraging internal operational experience and historical weather data. The Group will continue to monitor the availability of simplified tools and industry data to evaluate the feasibility of integrating scenario analysis into its risk identification framework in the future.

Climate and Environmental-related Targets

We are setting long-term climate-related targets across our operations and value chain supported by short-, medium-, and long-term milestones, all measured against the 2025 base year to ensure consistent comparison over time. These targets have taken reference from Hong Kong's long-term decarbonisation pathway and its goal of achieving carbon neutrality, as well as the Paris Agreement, ensuring that our efforts contribute meaningfully to the city's broader climate ambitions.

All quantitative targets are intensity targets, which are appropriate for the Group's service-based business model. The Group develops and regularly reviews its target internally based on its strategic planning and did not apply the Science Based Targets Initiative's Sectoral Decarbonisation Approach. The use of carbon credits to achieve any net targets is currently not considered. Below sets forth the phased targets over our time horizon:

Targets	Description
Energy consumption intensity	Short-term: 3% reduction compared to 2025 Mid-term: 8% reduction compared to 2025 Long-term: 12% reduction compared to 2025
Greenhouse Gas Emissions	Short-term: 3% reduction compared to 2025 Mid-term: 8% reduction compared to 2025 Long-term: 12% reduction compared to 2025

The Group's GHG emission targets currently cover Scope 1 and Scope 2 emissions. Scope 3 targets will be developed as the Group improves its Scope 3 data collection capabilities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

EMPLOYMENT AND LABOUR PRACTICES

Working Environment

The Group has developed a working environment in which management and employees work together in a cooperative and responsible manner, striving to adopt the best social practices and maintain good employee relations.

Talent Management

The Group offers attractive remuneration package to its employees, including basic salary, bonus, medical insurance and other subsidies such as training and education. In addition to statutory holidays, the Group offers employees additional holiday/leave such as marriage leave, examination leave and compassionate leave. Compensation for occasional overtime work, by means of alternative leave or allowance, will also be granted. Unreasonable dismissal under any circumstances is strictly prohibited. Dismissal will be based on reasonable and lawful grounds supported by internal policies of the Group.

To retain and motivate employees, the Group offers career development opportunities to all of them. Specifically, the Group conducts annual appraisal for all employees as an indicator of their review of work performance.

The Group strives to maintain high standard of business ethics and employee's good personal conduct. The Group's employee handbook and internal control manual are readily accessible to all employees.

Equal Opportunity and Anti-discrimination

The Group strove to optimise the system of human resources management to promote fairness and equality within the workplace, human resources policy has been established to ensure there is no discrimination on the grounds of age, gender, marital status, family status, sexual orientation, disability, ethnic group, nationality or religion. In accordance with our human resource policy, the above factors are not considered in the decision-making process of employment, remuneration, and promotion.

The Group would ensure strict compliance with all relevant regulatory standards, particularly the Employment Ordinance and Employees' Compensation Ordinance, and the Directors confirm that the Group has no material non-compliance in respect of the applicable labour laws and regulations in Hong Kong.

As at 31 March 2026, including the executive Directors, the Group has a total of 27 employees (2025: 31) in Hong Kong. The formation of our staff was as follows:

Year		2026	2025
Number of work force	Total employees	27	31
	By age group	Below 30	4
		30–50	14
		Over 50	13
	By gender	Male	14
		Female	17
	By work hours	Full-time	30
		Part-time	1

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Year			2026	2025
Turnover	Total		5	7
	By age group	Below 30	2	–
		30–50	3	5
		Over 50	–	2
	By gender	Male	1	3
		Female	4	4

Year			2026	2025
New Employment	Total		1	8
	By age group	Below 30	–	3
		30–50	1	2
		Over 50	–	3

Health and Safety

The Group adopts a policy for maintaining a healthy and safe working environment to the employees of the Group and subcontractors, and has established effective occupational health and safety (“OHS”) measures under the OHSAS 18001 certification. The OHS management system applies to office and site employees, as well as subcontractors to ensure comprehensive and effective OHS management across value chain.

To achieve the purposes and principles above, the Group will continue to:

- Comply with all local health, safety and environmental legislation as a minimum.
- Identify and evaluate all health, safety and environmental hazards and establish controls and techniques to manage risk to acceptable levels.
- Establish and update, as appropriate, health, safety and environmental practices relevant to the impact of the Group’s activities in order to drive and demonstrate continual improvement.
- Initiate develop, record, measure and communicate progress on health and safety performance throughout the organisation.
- Require our contractors to also comply with all site health, safety and environmental requirements and work with our partners to achieve comparable health, safety and environmental standards.
- Provide resources in line with the priority the Company places on health and safety.
- Regular review of the OHS policies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Construction Site Safety Measures and Practices

To prevent accidents leading to work-related injuries at construction site, safety measures and practices are implemented to control and eliminate risks of all kinds which include the provision of personal protective equipment and the establishment of safety working procedures. Personal protective equipment is also distributed to the Group's employees as well as employees of the Group's subcontractor. The Group's project coordinators are responsible for ensuring proper use and maintenance of the equipment.

Office Safety Measures

At the Group's office, indoor air purification system has been installed to maintain the optimal level of indoor air quality for the Group's employees.

OHS statistics	Year ended 31 March	
	2026	2025
Number of lost days due to injury	Nil	Nil
Number of work-related fatalities	Nil	Nil
Number of work injuries	2	1

During the year ended 31 March 2026, the Group was not aware of any reportable accident on construction sites or any non-compliance with laws and regulations related to health. No work-related fatalities occurred in each of the past three years including for the year ended 31 March 2026.

Training and Development

The Group treasures human resources and is committed to providing training and development programmes to enhance staff knowledge and skills, which ultimately creates value to the Group's business operations and supports future growth.

To enhance employees' work performance, the Group provides internal and external training courses ranging from professional and technical training to personal development skills. The Group also encourages relevant personnel to keep abreast of latest developments and best practices in the industry via training and workshops.

Based on the result of materiality assessment, percentage of employee trained and training hours completed per employee are not considered material and no disclosure is made with this regard.

Labour Standards

Forced labour and child labour are ethical issues relating to infringement of basic human rights and put the Group's reputation at risk. The Group strictly prohibits the use of forced and child labour. The Group complies with Employment Ordinance (Chapter 57 of the Laws of Hong Kong) to avoid child and forced labour in its operations. During the recruitment process, all candidates' identification documents are fully examined and verified to ensure that only employees over the age of 16 will be recruited. Such practice is extended to the workers hired by the Group's sub-contractors.

In the case that any of the Group's subcontractors is involved in hiring child labour and this comes into the Group's knowledge, the concerned subcontractor will be banned or suspended from submitting tenders for the Group's future projects.

During the year ended 31 March 2026, the Group fully complied with laws and regulations relating to employment, providing a safe working environment and protecting employees from occupational hazards, as well as preventing child and forced labour.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

OPERATING PRACTICES

Supply Chain Management

Supply chain management is essential to the quality control system of the Group.

The Group has established various procedures to ensure that capable and competent suppliers and subcontractors are maintained in the Group's Supplier/Subcontractor Register to ensure effective and efficient project operation. The procurement team maintains a master list of all suppliers and subcontractors and the Group's selection is based on their previous experience, skills, present work load, price quotation and work quality. The Group understands the importance of incorporating environmental and social practices of its suppliers and therefore endeavors to engage suppliers who act responsibly with regard to green supply chain management. The procurement team evaluates the suppliers' and subcontractors' performance on a yearly basis by conducting annual performance appraisal together with the project team of the Group.

Suppliers and subcontractors with unsatisfactory performance will be banned or suspended from submitting tenders for the Group's future projects. The assessment relates to the existence and performance of suppliers' and subcontractors' environmental, health and safety system which is also included in the annual performance appraisal.

During the year ended 31 March 2026, the Group did not experience material shortage of building materials, did not experience any delay in supply of materials purchased from suppliers and had 1 supplier in Germany and a total of 3 suppliers in the PRC.

Product Responsibility

(i) Quality and Safety

The Group attaches importance to the quality and safety of products and its installation projects.

The Group has established a comprehensive management system and was awarded ISO 9001:2015 certification for the supply and installation of the Group's products of timber flooring, gypsum blocks and timber door since 2017. In addition, the Group was awarded the FSC's Chain of Custody certification, a proof of the Group's value on product quality and sustainability of forest operations. The Group undergoes regular audit from the certification body each year to ensure that the Group's management measures comply with relevant audit requirements and standards.

The Group ensures that the timber flooring products conform to all applicable legislations to avoid the illegal trade of forest products. The Group has established procedures to ensure the suppliers' compliance with relevant quality and service requirements as well as laws and regulations on environmental and social matters.

The Group has not identified any non-compliance with the relevant laws and regulations in respect of product responsibility during the year ended 31 March 2026.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

(ii) Customer Services and Complaints

To ensure the products and services meet the required standards of the customer, the project teams will perform inspections on the Group's products and the installation works performed by the subcontractors from time to time.

For our supply and installation projects, apart from internal project progress meeting, the project team would normally hold progress meetings with customers throughout the project to review the progress of the projects and to resolve any problems which may arise.

Upon delivery of the building materials from our suppliers, our staff would perform random checking to ensure that the building materials delivered satisfy the specifications contained in our purchase record. Items found to be defective or which are not consistent to the product specifications stated in the purchase orders would be returned to the suppliers for replacement.

Further, we may also conduct sample testing on certain building materials to ensure they meet the specifications required by our customers.

The Group has not identified any material claim or complaint by our customers in relation to the quality of our performance and our subcontractors' performance against our Group and the cost incurred for rectifying defective works was immaterial during the year ended 31 March 2026.

(iii) Intellectual Property

The Group values trademark management of the Group's products. All products have been trademark registered and we require all employees, customers and sub-contractors to jointly safeguard the Group's proprietary rights and interest in the trademarks, and report behaviours of which may lead to potential trademark infringements in a timely manner.

The Group did not have any infringement by third parties on its intellectual property right or by itself to any intellectual property right of third parties during the year ended 31 March 2026.

(iv) Consumer Data Protection

The Group is committed to safeguarding customer data obtained during the course of business. Customer information such as personal and company detailed background information, financial documents, terms of contracts, etc., are deemed to be private, confidential and sensitive in nature. These types of information are extremely sensitive and important.

The Group is obliged to comply with the Personal Data (Privacy) Ordinance (the "PDPO") (Chapter 486 of the Laws of Hong Kong) and strive to protect all such data confidential and safe. If there is any breach of confidentiality or a failure to comply with the law, the Group may be subject to legal action and penalties prescribed under the PDPO.

The Group is fully aware of its customer data protection obligation. The Group has employed external IT security expert to continuously monitor, maintain and update the hardware, software and security system to prevent any customer data breach due to illegal hacking attacks. Also, all employees have been notified and are legally bound in their employment contracts and/or employee handbook on that obligation to observe the "Confidentiality Undertaking" in disclosure and/or leakage of the Group's confidential information. Legal action will be taken if violation takes place. In the reporting period, no report on information leakage was received.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Anti-corruption

All employees of the Group are required to strictly observe the code on personal and professional conducts and the guidelines on anti-bribery and anti-corruption conducts as provided in the manual of code of conduct (the “**Code of Conduct**”) of the Group as follows:

1. Prevention of Bribery Ordinance – soliciting or accepting any advantage in connection with the employee’s work for the Group without the permission of the Group is strictly prohibited and such conduct may amount to an offence under Section 9(2) of the Prevention of Bribery Ordinance (Chapter 201 of the laws of Hong Kong).
2. Acceptance of Advantage – soliciting or accepting any advantage when conducting business for the Group is prohibited, unless with the prior permission of the Group in writing.
3. Entertainment – employees should avoid accepting lavish or frequent entertainment from business partners associated with the Group (e.g. clients, suppliers or subcontractors) to prevent being affected in their business judgement. Excessive gambling and loans should also be avoided.
4. Conflict of Interest – employees should avoid any situation which may lead to an actual or perceived conflict of interest and make a declaration to the Group when such occasion occurs.

Employees who are in breach of the Code of Conduct may be dismissed or removed. Employees may report in writing to the Group regarding the suspected misconduct. Reports and complaints received will be handled in a prompt and fair manner. The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation or discrimination. Therefore, the employee reporting in good faith under the whistle-blowing mechanism can be assured of protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated.

During the year ended 31 March 2026, no legal case relating to bribery, extortion, fraud or money laundering was brought against the Group or its employees and the Group was not aware of any material non-compliance with the relevant laws and regulations relating to corrupt practices that would have a significant impact on the Group. In addition, the Directors of the Company have taken training on anti-corruption during the year ended 31 March 2026. The Group continues to carry out regular reviews and policy statement updates if necessary to ensure their effectiveness to strengthen internal controls and compliance regime of the Group.

COMMUNITY INVESTMENT

The Group is committed to fulfilling its corporate social responsibility in building a better community. Apart from commercial activities, the Group actively participates in community services and was awarded the “Caring Company” launched by the Hong Kong Council of Social Service in recognition of the Group’s contribution to society.

INDEPENDENT AUDITOR'S REPORT



SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣
告士打道311號
皇室大廈安達人壽大樓17樓

TO THE MEMBERS OF TWINTEK INVESTMENT HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Twintek Investment Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) set out on pages 62 to 123, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 2026, 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.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) 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 are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“**the Code**”), as applicable to audits of consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

Key audit matters identified in our audit are summarised as follows:

- Accounting for construction and engineering service contracts; and
- Expected credit loss (“**ECL**”) recognised in respect of contract assets and trade receivables.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

KEY AUDIT MATTERS (Continued)

Accounting for construction and engineering service contracts

Refer to note 7 to the consolidated financial statements and the accounting policies on pages 71 to 72.

The key audit matter	How the matter was addressed in our audit
The Group recognised revenue from construction and engineering service contracts according to the management's estimation of the total outcome of the relevant contracts as well as the stage of completion of contract works.	We have evaluated the design and implementations, and control effectiveness of the key control in relation to revenue recognition that the Group had implemented.
The Group recognised contract revenue by reference to the stage of completion towards satisfaction of performance obligation under input method. This involves the assessment of the stage of completion of contract works, which was performed by the Group's project managers.	We assessed whether the stage of completion at the end of the reporting period was reasonable through critically challenging the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs of the construction and engineering service contract.
Significant judgement is involved in relation to the assessment of the total outcome and the stage of completion and is therefore considered as a key audit matter.	We assessed the revenue recognised and cost incurred for the reporting period through checking the supporting documents, such as contracts, variation orders, payment certificates and invoices.
	We have assessed progress towards complete satisfaction of a performance obligation under input method by recalculating the estimate of the progress towards complete satisfaction of a performance obligation of the construction works based on the latest budgeted costs and the total actual costs incurred.
	We assessed reliability of management's assessment in budget cost by considering the latest actual costs incurred and the budget costs estimated for the completed projects.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

KEY AUDIT MATTERS (Continued)

ECL recognised in respect of contract assets and trade receivables

Refer to notes 20 and 22(a) to the consolidated financial statements and the accounting policies on pages 77 to 82.

The key audit matter	How the matter was addressed in our audit
As at 31 March 2026, the Group had contract assets and trade receivables of approximately HK\$59,213,000 and HK\$1,926,000 respectively.	We have evaluated the design and implementation of key control that the Group has implemented to manage and monitor its credit risk and measurement of ECL.
The estimation of ECL adopted by the Group is based on the Group's historical credit loss experience and forward-looking information at the end of the reporting period.	We obtained and reviewed the management's assumptions and judgements adopted in assessing ECL in respect of contract assets and trade receivables.
We have identified ECL recognised in respect of contract assets and trade receivables as a key audit matter because the estimation of ECL requires a high level of management judgement and due to the significance of the amounts involved.	We have assessed the reasonableness of management's estimation for loss allowance by evaluating the historical loss rates, current economic conditions and forward-looking information, examining the actual losses recorded and assessing whether there was an indication of management bias when recognising ECL.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND 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 issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company 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 of the Company 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 of the Company 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, solely to you, as a body, in accordance with our agreed terms of engagement, 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 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 judgement and maintain professional skepticism 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 of the Company.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

- Conclude on the appropriateness of the Company's 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 Group 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 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 Ms. Leung Pui Sze.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Leung Pui Sze

Practising Certificate Number: P07957

Hong Kong
30 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Revenue	7	194,564	207,178
Cost of sales and services		(178,117)	(170,941)
Gross profit		16,447	36,237
Other income	8	1,551	4,799
Selling and distribution expenses		(1,393)	(2,856)
Administrative expenses		(38,689)	(32,482)
Finance costs	9	(3,530)	(4,271)
(Loss) profit before taxation		(25,614)	1,427
Income tax expenses	10	(348)	(111)
(Loss) profit and total comprehensive (expense) income for the year attributable to the owners of the Company	11	(25,962)	1,316
(Loss) earnings per share:			
Basic and diluted (HK cents)	15	(3.25)	0.16

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Property, plant and equipment	16	38,456	46,856
Right-of-use assets	17	246	1,126
Prepayment and deposits paid for life insurance policies	18	7,209	6,934
Deposits, prepayments and other receivables	21	–	131
		45,911	55,047
Current assets			
Inventories	19	1,057	1,293
Contract assets	22	59,213	95,112
Trade receivables	20	1,926	12,350
Deposits, prepayments and other receivables	21	5,882	3,647
Pledged bank deposits	23	10,000	18,906
Bank balances and cash	23	13,568	8,011
		91,646	139,319
Current liabilities			
Trade and bills payables	24	16,355	19,190
Contract liabilities	22	12,328	14,471
Retention monies payables		2,437	2,565
Accrual and other payables	25	4,427	8,707
Bank borrowings	26	33,533	54,380
Lease liabilities	17	258	889
Tax payable		326	45
		69,664	100,247
Net current assets		21,982	39,072
Total assets less current liabilities		67,893	94,119
Non-current liabilities			
Deferred tax liability	28	173	179
Lease liabilities	17	–	258
		173	437
		67,720	93,682

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Capital and reserves			
Share capital	29	8,000	8,000
Reserves		59,720	85,682
		67,720	93,682

The consolidated financial statements on pages 62 to 123 were approved and authorised for issue by the board of directors on 30 June 2026 and are signed on its behalf by:

Liu Chuang
Director

Fung Pik Mei
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note)	Accumulated Losses HK\$'000	Total HK\$'000
At 1 April 2024	8,000	89,940	5,024	(10,598)	92,366
Profit and total comprehensive income for the year	–	–	–	1,316	1,316
At 31 March 2025 and 1 April 2025	8,000	89,940	5,024	(9,282)	93,682
Loss and total comprehensive expense for the year	–	–	–	(25,962)	(25,962)
At 31 March 2026	8,000	89,940	5,024	(35,244)	67,720

Note: Capital reserve represented the difference between the nominal amount of the share capital and share premium of Fortuna Enterprise Holdings Limited and the nominal amount of the shares issued by the Company pursuant to a group reorganisation.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
OPERATING ACTIVITIES		
(Loss) profit before taxation	(25,614)	1,427
Adjustments for:		
Finance costs	3,530	4,271
Bank interest income	(377)	(387)
Interest income from deposits paid for life insurance policies	(282)	(272)
Amortisation of prepayment paid for life insurance policies	7	8
Impairment loss recognised on trade receivables	13	1,324
Reversal of impairment loss recognised on contract assets	(337)	(3,990)
Impairment loss on property, plant and equipment	6,896	–
Depreciation of property, plant and equipment	2,049	2,313
Depreciation of right-of-use assets	880	1,160
Gain on disposal of property, plant and equipment	(138)	(133)
Operating cash flows before movements in working capital	(13,373)	5,721
Decrease in inventories	236	309
Decrease (increase) in contract assets	36,236	(27,048)
Decrease (increase) in trade receivables	10,411	(11,835)
(Increase) decrease in deposits, prepayments and other receivables	(2,104)	212
(Decrease) increase in trade and bills payables	(2,835)	10,922
(Decrease) increase in contract liabilities	(2,143)	3,553
(Decrease) increase in retention monies payables	(128)	62
(Decrease) increase in accrual and other payables	(4,280)	6,441
Cash generated from (used in) operations	22,020	(11,663)
Hong Kong Profits Tax (paid) refunded	(73)	2,811
NET CASH FROM (USED IN) OPERATING ACTIVITIES	21,947	(8,852)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
INVESTING ACTIVITIES		
Bank interest income received	377	387
Purchases of property, plant and equipment	(547)	(17)
Proceed from disposal of property, plant and equipment	140	312
Placement of pledged bank deposits	(10,000)	(18,906)
Withdrawal of pledged bank deposits	18,906	8,643
NET CASH FROM (USED IN) INVESTING ACTIVITIES	8,876	(9,581)
FINANCING ACTIVITIES		
Interest paid	(3,486)	(4,212)
Repayment of principal portion of lease payment	(889)	(1,156)
Repayment of interest portion of lease payment	(44)	(59)
New bank borrowings raised	45,500	61,500
Repayments of bank borrowings	(66,347)	(59,330)
NET CASH USED IN FINANCING ACTIVITIES	(25,266)	(3,257)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,557	(21,690)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8,011	29,701
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	13,568	8,011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. GENERAL INFORMATION

Twintek Investment Holdings Limited (“**the Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 8 February 2017 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited on 17 January 2018. Its ultimate and immediate holding company is Mars Nest Limited, a company incorporated in the British Virgin Islands with limited liability. Its ultimate controlling party is Mr. Liu Chuang. The addresses of the registered office of the Company is PO Box 309, Ugland House, Grand Cayman KY1-1104, the Cayman Islands and the principal place of business of the Company is Room 806, 8/F., Eastern Centre, 1065 King’s Road, Quarry Bay, Hong Kong.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are investment holding, sales of building materials and provision of construction and engineering services.

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

As at 31 March 2026, the Group had bank balances and cash of approximately HK\$13,568,000 and bank borrowings due within one year of approximately HK\$33,533,000. Based on the estimation of the future cash flows of the Group and the ability to renew the bank loans upon expiry, the directors believed that the Group will have sufficient working capital to finance its normal operation for the twelve months from the end of the reporting period. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current year, the Group has applied, for its 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 on 1 April 2025:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial performance and position for the current and prior years and/or on disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

New and amendments to HKFRS Accounting Standard 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 ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²

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

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that, except as described 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 the HKFRS 18 is not expected to have material impact on the financial position of the Group. The directors are in the process of making an assessment of the impact of HKFRS 18, but are not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

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

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. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service that is distinct or a series of distinct goods or services that are substantially same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- The Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group’s performance does 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.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation (Input method)

Revenue from provision of construction and engineering services is recognised over time.

The progress towards complete satisfaction of a performance obligation is measured based on input method. Input methods recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation (for example, resources consumed, labour hours expended and costs incurred) relative to the total expected inputs to the satisfaction of that performance obligation.

The Group recognised revenue from the following major sources:

- sales of goods;
- construction contracts.

Sales of goods

Revenue from sale of goods is recognised at the point when the control of the good is transferred to the customers (generally on delivery of the goods to location specified by customers).

Construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on an assets under the control of the customer and therefore the Group's construction activities create or enhance an asset that the customer controls.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs. When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leasing

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises right-of-use assets and corresponding lease liabilities with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date of a lease, the Group measures lease liabilities at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liabilities are presented as a separate line in the consolidated statement of financial position.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets

The right-of-use assets comprise the amount of initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The costs are included in the related right-of-use assets, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. It is depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets as a separate line in the consolidated statement of financial position.

The Group applies HKAS 36 to determine whether right-of-use assets are impaired and accounts for any identified impairment loss as described in the "Impairment losses on property, plant and equipment and right-of-use assets" policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefits cost and termination benefits

Payments to the Mandatory Provident Fund Scheme (“**MPF Scheme**”) are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit (loss) differs from “Profit (Loss) before taxation” as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Ownership interests in leasehold land and buildings

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use” assets in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to allocate the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the first-in, first-out method. Net realisable value of inventories represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale.

Cash and cash equivalents

In the consolidated statement of financial position, bank balances and cash comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment losses on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the CGU) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Group's financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding the expected credit loss ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Amortised cost and effective interest method (Continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the “Other income” (note 8).

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for contract assets and trade receivables. The ECL on these financial assets are estimated individually/collectively by using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors and forward looking information that is available without undue cost or effort.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) the debt instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, taking into account of the business cycle, industry practice and historical experience, the Group considers that default has occurred when a financial asset is more than 2 years past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 5 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment loss or reversal of impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities that are not (1) contingent consideration of an acquirer in a business combination, (2) held-for-trading, or (3) designated as at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Accounting for construction and engineering service contracts

The Group recognised revenue relating to construction and engineering service contract according to progress towards complete satisfaction of the performance obligation by reference to the accumulated contract costs recognised over the budget cost. Notwithstanding that the management reviews and revises the estimates of both contract revenue and costs for the construction and engineering service contract as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the management's estimation and this will affect the revenue recognised and the contract assets (liabilities) as detailed in note 22.

ECL recognised in respect of contract assets and trade receivables

The impairment provisions for contract assets and trade receivables are based on assumptions about ECL. The Group used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical credit loss experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income.

During the year ended 31 March 2026, reversal of impairment loss recognised on contract assets is approximately HK\$337,000 (2025: reversal of impairment loss of HK\$3,990,000). As at 31 March 2026, the carrying amount of contract assets is approximately HK\$59,213,000 (2025: HK\$95,112,000) net of allowance for impairment loss of approximately HK\$4,221,000 (2025: HK\$5,189,000).

During the year ended 31 March 2026, impairment loss recognised on trade receivables is approximately HK\$13,000 (2025: impairment loss of HK\$1,324,000). As at 31 March 2026, the carrying amount of trade receivables is approximately HK\$1,926,000 (2025: HK\$12,350,000) net of allowance for impairment loss of approximately HK\$2,846,000 (2025: HK\$2,833,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Impairment of property, plant and equipment

Impairment assessment of property, plant and equipment is performed by the management of the Group at the end of each reporting period. When there is an indication of possible impairment identified, the management of the Group assess whether there is any impairment loss. Impairment loss will be recognised if the recoverable amount, being the higher of fair value less cost of disposal or value-in-use, is lower than the carrying amount. In assessing the recoverable amount, significant judgement and estimates are required.

Based on the estimated recoverable amount, impairment loss on property, plant and equipment of approximately HK\$6,896,000 has been recognised for the year ended 31 March 2026 (2025: nil).

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank borrowings disclosed in note 26 and lease liabilities disclosed in note 17, net of bank balances and cash disclosed in note 23 and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors of the Company consider costs of capital and the risks associated with each class of capital. Based on the recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2026 HK\$'000	2025 HK\$'000
Financial assets		
Financial assets stated at amortised cost (including bank balances and cash)	25,870	39,674
Financial liabilities		
Financial liabilities stated at amortised cost	56,396	84,842

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, deposits and other receivables, pledged bank deposits, bank balances and cash, trade and bills payables, retention monies payables, certain accrual and other payables, lease liabilities and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments included market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

The Group has foreign currency deposits paid for life insurance policies, deposits and purchases, which expose the Group to foreign currency risk. For the year ended 31 March 2026, 2.0% (2025: 2.2%) of the Group's cost of sales and services are denominated in currencies other than the functional currency of the respective group's entities. The Group currently does not have hedging policy to minimise the foreign exchange risk. The Group will monitor foreign exchange exposure and consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000
United States Dollar ("USD")	7,209	6,934	–	–
EURO ("EUR")	–	–	–	(193)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Sensitivity analysis

No sensitivity analysis was prepared for USD, as HK\$ is pegged to USD. For EUR, no sensitivity analysis was prepared due to the insignificant effect to the performance of the Group.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate pledged bank deposits. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary action when significant interest rate exposure is anticipated.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (see note 23) and variable-rate bank borrowings (see note 26). It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of prevailing market rates arising from the Group's bank balances and the fluctuation of bank's best lending rate and Hong Kong Interbank Offered Rate arising from the Group's bank borrowings denominated in HK\$.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for bank borrowings at the end of the reporting period. The analysis is prepared assuming the bank borrowings outstanding at the end of the reporting period were outstanding for the whole year. For the year ended 31 March 2026, a 50 basis points (2025: 50 basis point) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2025: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss would increase/decrease by approximately HK\$140,000 (2025: post-tax profit would decrease/increase by approximately HK\$194,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk

As at 31 March 2026, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk of our Group mainly arises from contract assets, trade receivables, pledged bank deposits, bank balances, and other receivables. The carrying amounts of these balances represent our Group's maximum exposure to credit risk in relation to financial assets.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL individually/collectively by using provision matrix based on historical credit loss experience, and further segmented based on share credit risk characteristics, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL individually/collectively by using provision matrix estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on pledged bank deposits and bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

For other financial assets, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. Management considered deposits and other receivables to be low credit risk and thus the impairment measurement is based on 12-month ECL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

The Group's exposure to credit risk

In order to minimise credit risk, the Group has tasked its management to develop and maintain the Group's credit risk grading to categories exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the management uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired (refer to as Stage 1)	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired (refer to as Stage 2)	Lifetime ECL – not credit impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The tables below detail the credit quality of the Group's financial assets and contract assets as well as the Group's maximum exposure to credit risk by credit risk rating grades:

31 March 2026

	Internal credit rating	12-month or lifetime ECL	Average expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000
Contract assets						
– individually assessed	Default	Lifetime ECL (credit impaired)	100.0	3,741	(3,741)	–
– collectively assessed	(i)	Lifetime ECL (simplified approach)	0.80	59,693	(480)	59,213
				63,434	(4,221)	59,213
Trade receivables						
– individually assessed	Default	Lifetime ECL (credit impaired)	100.0	2,707	(2,707)	–
– collectively assessed	(i)	Lifetime ECL (simplified approach)	6.73	2,065	(139)	1,926
				4,772	(2,846)	1,926
Deposit and other receivables						
	Performing	12-month ECL	–	376	–	376
Bank balances and cash						
	Performing	12-month ECL	–	13,568	–	13,568
Pledged bank deposits						
	Performing	12-month ECL	–	10,000	–	10,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

31 March 2025

	Internal credit rating	12-month or lifetime ECL	Average expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000
Contract assets						
– individually assessed	Default	Lifetime ECL (credit impaired)	100.0	4,372	(4,372)	–
– collectively assessed	(i)	Lifetime ECL (simplified approach)	0.85	95,929	(817)	95,112
				100,301	(5,189)	95,112
Trade receivables						
– individually assessed	Default	Lifetime ECL (credit impaired)	100.0	2,684	(2,684)	–
– collectively assessed	(i)	Lifetime ECL (simplified approach)	1.19	12,499	(149)	12,350
				15,183	(2,833)	12,350
Deposit and other receivables	Performing	12-month ECL	–	407	–	407
Bank balances and cash	Performing	12-month ECL	–	8,011	–	8,011
Pledged bank deposits	Performing	12-month ECL	–	18,906	–	18,906

Note:

(i) For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Notes 20 and 22 include further details on the loss allowance for these assets respectively.

The Group's concentration of credit risk by geographical locations is all in Hong Kong as at 31 March 2026 (2025: all).

The Group has concentration of credit risk as 25% (2025: 10%) and 71% (2025: 43%) of the total trade receivables was due from the Group's largest customer and the Group's five largest customers respectively within the construction contracts segment.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of bank balances and cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31 March 2026, the Group has available unutilised short-term bank loan facilities of approximately HK\$15,600,000 (2025: HK\$10,400,000). Details of which are set out in note 26.

The following table details the Group's remaining contractual maturity for its financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay.

Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other financial liabilities are based on the agreed repayment dates.

The amounts included below for variable interest rate instruments are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The table includes both interest and principal cash flows.

Liquidity tables

At 31 March 2026

	Within 1 year or on demand HK\$'000	1-2 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
Non-derivative financial liabilities				
Trade and bills payables	16,355	-	16,355	16,355
Retention monies payables	2,437	-	2,437	2,437
Accrual and other payables	4,071	-	4,071	4,071
Bank borrowings (Note)	33,533	-	33,533	33,533
	56,396	-	56,396	56,396
Lease liabilities	262	-	262	258
	56,658	-	56,658	56,654

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

At 31 March 2025

	Within 1 year or on demand HK\$'000	1–2 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
Non-derivative financial liabilities				
Trade and bills payables	19,190	–	19,190	19,190
Retention monies payables	2,565	–	2,565	2,565
Accrual and other payables	8,707	–	8,707	8,707
Bank borrowings (Note)	54,380	–	54,380	54,380
	84,842	–	84,842	84,842
Lease liabilities	933	262	1,195	1,147
	85,775	262	86,037	85,989

Note: Bank borrowings with a repayment on demand clause are included in the "within 1 year or on demand" time band in the above analysis. As at 31 March 2026, the aggregate undiscounted principal amounts of these bank borrowings amounted to approximately HK\$33,533,000 (2025: HK\$54,380,000). Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to approximately HK\$34,894,000 (2025: HK\$56,765,000), with details as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

Maturity analysis

At 31 March 2026

	Within 1 year or on demand HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	More than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
Bank borrowings	28,331	2,067	3,810	686	34,894	33,533

At 31 March 2025

	Within 1 year or on demand HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	More than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
Bank borrowings	47,959	2,180	5,446	1,180	56,765	54,380

(c) Fair value measurements recognised in the consolidated statement of financial position

The directors of the Company consider that the carrying amounts of current financial assets and current financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values due to their immediate or short-term maturities.

The directors of the Company also consider that the carrying amounts of non-current financial assets recorded at amortised cost in the consolidated financial statements approximate to their fair values due to insignificant impact of discounting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

7. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising on sales of building materials and provision of construction and engineering services. An analysis of the Group's revenue for the year is as follows:

	2026 HK\$'000	2025 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregation by major products or services lines		
Sales of building materials		
– Gypsum block	2,599	8,611
– Wooden flooring	9,900	6,457
– Others	3,025	1,128
Revenue from provision of construction and engineering services		
– Gypsum block	38,314	54,935
– Wooden flooring	119,320	92,407
– Demountable partitions	5,793	26,029
– Others	15,613	17,611
	194,564	207,178

Disaggregation of the Group's revenue by timing of recognition

	2026 HK\$'000	2025 HK\$'000
Timing of revenue recognition		
At a point in time	15,524	16,196
Over time	179,040	190,982
Total revenue from contract with customers	194,564	207,178

Transaction price allocated to the remaining performance obligations for contracts with customers

As at 31 March 2026, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately HK\$294,500,000 (2025: HK\$401,000,000). The amount represents revenue expected to be recognised in the future from provision of construction and engineering service contract entered into between the customers and the Group. The Group will recognise this revenue as the service is performed, which is expected to be recognised over the next 18 months (2025: 18 months). Revenue of approximately HK\$253,200,000 (2025: HK\$337,300,000) and HK\$41,300,000 (2025: HK\$63,700,000) are expected to be recognised within one year and more than one year but less than two years respectively.

The above amounts do not include variable consideration which is constrained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

7. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenues and results

Information reported to the executive directors of the Company, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The directors of the Company have chosen to organise the Group around differences in nature of revenue. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable segments are as follows:

- Sales of building materials – trading of building materials; and
- Construction contracts – provision of construction and engineering services.

The following is an analysis of the Group’s revenue and results by reportable and operating segments.

For the year ended 31 March 2026

	Sales of building materials HK\$'000	Construction contracts HK\$'000	Total HK\$'000
Segment revenue			
External sales	15,524	179,040	194,564
Segment profit	10,771	6,000	16,771
Unallocated income			1,214
Unallocated corporate expenses			(40,069)
Unallocated finance costs			(3,530)
Loss before taxation			(25,614)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

7. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the year ended 31 March 2025

	Sales of building materials HK\$'000	Construction contracts HK\$'000	Total HK\$'000
Segment revenue			
External sales	16,196	190,982	207,178
Segment profit	10,604	28,299	38,903
Unallocated income			809
Unallocated corporate expenses			(34,014)
Unallocated finance costs			(4,271)
Profit before taxation			1,427

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of central administration costs, impairment on property, plant and equipment, selling and distribution expenses, directors' emoluments, finance costs and certain other income. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

7. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Segment assets

	2026 HK\$'000	2025 HK\$'000
Sales of building materials	839	2,873
Construction contracts	60,300	104,589
Total segment assets	61,139	107,462
Unallocated corporate assets	76,418	86,904
Total assets	137,557	194,366

Segment liabilities

	2026 HK\$'000	2025 HK\$'000
Sales of building materials	1,465	1,716
Construction contracts	29,655	34,510
Total segment liabilities	31,120	36,226
Unallocated corporate liabilities	38,717	64,458
Total liabilities	69,837	100,684

For the purposes of monitoring segment performance and allocating resources between segments:

- only contract assets and trade receivables are allocated to operating segments; and
- only contract liabilities, trade and bills payables and retention monies payables are allocated to operating segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

7. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 March 2026

	Sales of building materials HK\$'000	Construction contracts HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or segment assets:				
Impairment loss recognised on trade receivables	–	13	–	13
Reversal of impairment loss recognised on contract assets	–	(337)	–	(337)
Amounts regularly provided to the CODM but not included in the measure of segment profit or segment assets:				
Addition to non-current assets (<i>Note</i>)	–	–	547	547
Depreciation of property, plant and equipment	–	–	2,049	2,049
Depreciation of right-of-use assets	–	–	880	880
Impairment loss on property, plant and equipment	–	–	6,896	6,896
Interest income from deposits paid for life insurance policies	–	–	(282)	(282)
Bank interest income	–	–	(377)	(377)
Gain on disposal of property, plant and equipment	–	–	(138)	(138)
Finance costs	–	–	3,530	3,530
Income tax expenses	–	–	348	348

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

7. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 March 2025

	Sales of building materials HK\$'000	Construction contracts HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or segment assets:				
Impairment loss recognised on trade receivables	–	1,324	–	1,324
Reversal of impairment loss recognised on contract assets	–	(3,990)	–	(3,990)
Amounts regularly provided to the CODM but not included in the measure of segment profit or segment assets:				
Addition to non-current assets (Note)	–	–	1,494	1,494
Depreciation of property, plant and equipment	–	–	2,313	2,313
Depreciation of right-of-use assets	–	–	1,160	1,160
Interest income from deposits paid for life insurance policies	–	–	(272)	(272)
Bank interest income	–	–	(387)	(387)
Gain on disposal of property, plant and equipment	–	–	(133)	(133)
Finance costs	–	–	4,271	4,271
Income tax expenses	–	–	111	111

Note: Non-current assets excluded deposits, prepayments and other receivables and prepayment and deposits paid for life insurance policies.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2026 HK\$'000	2025 HK\$'000
Customer A ^{1,2}	91,340	61,677
Customer B ¹	25,626	NA*
Customer C ^{1,2}	NA*	21,696

¹ Revenue from construction contracts segment

² Revenue from sales of building materials segment

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

7. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations and non-current assets are all located in Hong Kong.

8. OTHER INCOME

	2026 HK\$'000	2025 HK\$'000
Bank interest income	377	387
Interest income from deposits paid for life insurance policies	282	272
Gain on disposal of property, plant and equipment	138	133
Reversal of impairment losses recognised on contract assets	337	3,990
Net foreign exchange gain	4	12
Others	413	5
	1,551	4,799

9. FINANCE COSTS

	2026 HK\$'000	2025 HK\$'000
Interest expenses on bank borrowings	3,486	4,212
Interest expenses on lease liabilities	44	59
	3,530	4,271

10. INCOME TAX EXPENSES

	2026 HK\$'000	2025 HK\$'000
Current tax:		
Hong Kong Profits Tax	307	117
Deferred taxation (<i>note 28</i>)	(6)	(6)
Under-provision for prior year	47	–
	348	111

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporation will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. For the years ended 31 March 2026 and 2025, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime continue to be taxed at the flat rate of 16.5%.

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands or the BVI for the years ended 31 March 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

10. INCOME TAX EXPENSES (Continued)

The income tax expenses for the years can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2026 HK\$'000	2025 HK\$'000
(Loss) profit before taxation	(25,614)	1,427
Tax at Hong Kong Profits Tax rate of 16.5% (2025: 16.5%)	(4,226)	235
Tax on adoption of two-tiered profits regime	(165)	(52)
Tax effect of expenses not deductible for tax purposes	171	629
Tax effect of income not taxable for tax purposes	(159)	(40)
Effect of tax reduction (<i>note</i>)	(6)	(3)
Under-provision for prior year	47	–
Tax effect on unrecognised tax losses and deductible temporary difference	4,686	(658)
Income tax expenses for the year	348	111

Details of deferred tax liability are set out in note 28.

Note: Tax reduction represented a one-off reduction of Hong Kong Profits Tax for the year of assessment 2025/2026 by 100%, subject to a ceiling of HK\$3,000 (2025: HK\$1,500) for each entity.

11. (LOSS) PROFIT FOR THE YEAR

	2026 HK\$'000	2025 HK\$'000
(Loss) profit for the year has been arrived at after charging (crediting):		
Directors' and chief executive's emoluments (<i>note 12</i>)	5,094	6,288
Other staff costs	12,024	11,922
Contribution to defined contribution retirement benefits scheme (excluding directors' and chief executive's emoluments)	367	384
Total staff costs	17,485	18,594
Auditor's remuneration	780	780
Depreciation of property, plant and equipment	2,049	2,313
Depreciation of right-of-use assets	880	1,160
Impairment loss recognised on trade receivables	13	1,324
Reversal of impairment loss recognised on contract assets	(337)	(3,990)
Impairment on property, plant and equipment	6,896	–
Net foreign exchange gain	(4)	(12)
Gain on disposal of property, plant and equipment	(138)	(133)
Expense relating to short-term lease	230	231
Amount of inventories recognised as an expense	2,386	5,769

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the 12 (2025: 6) directors and the chief executive were as follows:

For the year ended 31 March 2026

	Fee HK\$'000	Salaries and allowances HK\$'000	Discretionary bonuses (Note i) HK\$'000	Contribution to defined contribution retirement benefits scheme HK\$'000	Total HK\$'000
<i>Executive directors</i>					
Mr. Liu Chuang ("Mr. Liu") (note iii)	86	–	–	–	86
Mr. Lo Wing Cheung (note iv)	–	2,189	309	–	2,498
Ms. Fung Pik Mei	57	1,352	308	18	1,735
Mr. Christopher Dinelli (note iii and v)	30	–	–	–	30
<i>Non-executive directors</i>					
Mr. Lui Chun Pong (note iii)	57	–	–	–	57
Mr. Li Pui Ho (note ii)	142	–	–	–	142
<i>Independent non-executive directors</i>					
Mr. Gu Feng (note iii)	29	–	–	–	29
Ms. Wu Yi (note iii)	29	–	–	–	29
Ms. Yeung Ka Wai (note iii)	29	–	–	–	29
Mr. Shu Wa Tung Laurence (note iv)	153	–	–	–	153
Mr. Tam Wai Tak Victor (note iv)	153	–	–	–	153
Mr. Tam Wing Lok (note iv)	153	–	–	–	153
	918	3,541	617	18	5,094

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

For the year ended 31 March 2025

	Fee HK\$'000	Salaries and allowances HK\$'000	Discretionary bonuses (Note i) HK\$'000	Contribution to defined contribution retirement benefits scheme HK\$'000	Total HK\$'000
<i>Executive directors</i>					
Mr. Lo Wing Cheung ("Mr. Lo")	–	3,206	303	–	3,509
Ms. Fung Pik Mei	–	1,659	302	18	1,979
<i>Non-executive director</i>					
Mr. Li Pui Ho	200	–	–	–	200
<i>Independent non-executive directors</i>					
Mr. Shu Wa Tung Laurence	200	–	–	–	200
Mr. Tam Wai Tak Victor	200	–	–	–	200
Mr. Tam Wing Lok	200	–	–	–	200
	800	4,865	605	18	6,288

Notes:

- (i) The discretionary bonus is determined by the board of directors having regard to the performance of the relevant director and the operating results of the Group as a whole in respect of the financial year.
- (ii) Mr. Li Pui Ho resigned as non-executive director of the Company on 16 December 2025.
- (iii) Mr. Liu Chuang and Mr. Christopher Dinelli were appointed as executive directors of the Company, Mr. Lui Chun Pong was appointed as non-executive director of the Company, and Mr. Gu Feng, Ms. Wu Yi and Ms. Yeung Ka Wai were appointed as independent non-executive directors on 5 January 2026.
- (iv) Mr. Lo Wing Cheung resigned as executive director of the Company, and Mr. Shu Wa Tung Laurence, Mr. Tam Wai Tak Victor and Mr. Tam Wing Lok resigned as independent non-executive directors on 5 January 2026.
- (v) Mr. Christopher Dinelli resigned as executive director of the Company on 23 March 2026.
- (vi) None of the directors and chief executive of the Company waived or agreed to waive any emoluments paid by the Group for the years ended 31 March 2026 and 2025. No emoluments were paid by the Group to any directors or the chief executive of the Company as an inducement to join or upon joining the Group, or as compensation for loss of office for the years ended 31 March 2026 and 2025.

The executive directors' emoluments shown above are for their services in connection with the management of the affairs of the Company and the Group. Emoluments of the independent non-executive directors and non-executive director shown above are for their services as directors of the Company.

Mr. Liu and Mr. Lo are also the chief executive of the Company and their emoluments disclosed above include those for services rendered by them as the chief executive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments, two (2025: two) were directors and the chief executive of the Company whose emoluments are included in the disclosures in note 12 above. The emoluments of the remaining three (2025: three) individuals were as follows:

	2026 HK\$'000	2025 HK\$'000
Salaries and allowances and discretionary bonuses (<i>note</i>)	2,395	3,246
Contribution to defined contribution retirement benefits scheme	54	54
	2,449	3,300

Their emoluments were within the following bands:

	2026 Number of individuals	2025 Number of individuals
Nil to HK\$1,000,000	1	2
HK\$1,000,001 to HK\$1,500,000	2	1
	3	3

Note: The discretionary bonus is determined by the board of directors having regard to the performance of the relevant employee and the operating results of the Group as a whole in respect of the financial year.

No emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for the years ended 31 March 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

14. DIVIDENDS

No dividend was paid or proposed for the years ended 31 March 2026 and 2025, nor has any dividend been proposed since the end of the reporting period.

15. (LOSS) EARNINGS PER SHARE

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

	2026 HK\$'000	2025 HK\$'000
(Loss) earnings		
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share, representing (loss) profit for the year attributable to owners of the Company	(25,962)	1,316
	2026	2025
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share ('000 shares)	800,000	800,000

The (loss) earnings per share is the same as the basic (loss) earnings per share as there were no dilutive potential ordinary shares outstanding for the years ended 31 March 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

16. PROPERTY, PLANT AND EQUIPMENT

	Ownership interest in leasehold land and buildings HK\$'000	Leasehold improvement HK\$'000	Office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
COST					
At 1 April 2024	55,678	3,825	1,870	2,964	64,337
Additions	–	–	17	–	17
Eliminated on disposal	–	–	–	(716)	(716)
At 31 March 2025 and 1 April 2025	55,678	3,825	1,887	2,248	63,638
Additions	–	–	107	440	547
Written off	–	(578)	(1,787)	–	(2,365)
Eliminated on disposal	–	–	–	(710)	(710)
At 31 March 2026	55,678	3,247	207	1,978	61,110
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At 1 April 2024	7,918	3,390	1,809	1,889	15,006
Provided for the year	1,661	203	25	424	2,313
Eliminated on disposal	–	–	–	(537)	(537)
At 31 March 2025 and 1 April 2025	9,579	3,593	1,834	1,776	16,782
Provided for the year	1,662	117	34	236	2,049
Impairment	6,896	–	–	–	6,896
Written off	–	(578)	(1,785)	–	(2,363)
Eliminated on disposal	–	–	–	(710)	(710)
At 31 March 2026	18,137	3,132	83	1,302	22,654
CARRYING VALUES					
At 31 March 2026	37,541	115	124	676	38,456
At 31 March 2025	46,099	232	53	472	46,856

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, as follows:

Ownership interest in leasehold land and buildings	Over the term of the lease
Leasehold improvement	Over the term of the leases or 5 years, whichever is the shorter
Office equipment	5 years
Motor vehicles	4 years

As at 31 March 2026, the Group has pledged ownership interest in leasehold land and buildings with carrying values of approximately HK\$36,503,000 (2025: HK\$46,099,000) to secure general banking facilities granted to the Group.

Impairment assessment

As at 31 March 2026, in view of the unsatisfied performance of the Group, the management of the Group concluded there were impairment indication for the Group. As at 31 March 2026, The Group estimated the recoverable amounts of the cash generating unit ("CGU") to which the asset belongs when it is not possible to estimate the recoverable amounts individually, including allocation of corporate assets when reasonable and consistent basis can be established.

The recoverable amount of CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the 5 year period. The key assumption for the value in use calculated is the budgeted gross margin, which is determined based on the CGU's past performance and management expectations for the market development.

Based on the result of the assessment, management of the Group determined that 1) the recoverable amount of the CGU unit is lower than the carrying amount. The impairment amount has been allocated to each category of property, plant and equipment and right-of-use assets such that the carrying amount of each category of asset is not reduced below the highest of its fair value less cost of disposal, its value in use and zero. Based on the assessment and the allocation, impairment loss recognised of approximately HK\$6,896,000 against the carrying amount of property, plant and equipment has been made during the year ended 31 March 2026 (2025: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

17. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

As at 31 March 2026, the carrying amount of right-of-use assets were approximately HK\$246,000 (2025: HK\$1,126,000) in respect of the leased properties.

(b) Lease liabilities

	2026 HK\$'000	2025 HK\$'000
Non-current	–	258
Current	258	889
	258	1,147
	2026 HK\$'000	2025 HK\$'000
Amounts payable under lease liabilities		
Within one year	258	889
After one year but within two years	–	258
	258	1,147
Less: Amount due for settlement within 12 months (shown under current liabilities)	(258)	(889)
Amount due for settlement after 12 months	–	258

(c) Amount recognised in profit or loss

	2026 HK\$'000	2025 HK\$'000
Depreciation of right-of-use assets	880	1,160
Interest expenses on lease liabilities	44	59
Expense related to short-term leases	230	231

(d) Others

During the year ended 31 March 2026, the total cash outflow for leases (including short-term leases) amount to approximately HK\$1,163,000 (2025: HK\$1,446,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

18. PREPAYMENT AND DEPOSITS PAID FOR LIFE INSURANCE POLICIES

On 29 August 2012 (“**Policy A**”) and 18 September 2013 (“**Policy B**”), the Company entered into life insurance policies with an insurance company for Ms. Fung Pik Mei. Under the policies, the beneficiary and policies holder is the Company. The Company is required to pay an upfront payment for the policies. The Company may request a partial surrender or full surrender of the policies at any time and receive cash back based on the value of the policies at the date of withdrawal, which is determined by the gross premium paid at inception plus accumulated guaranteed interest earned and minus insurance premium charged (the “**Cash Value**”). If such withdrawal is made at any time during the first to the thirty-fifth policy year for Policy A and the first to the thirty-fourth policy year for Policy B, as appropriate, a pre-determined specified surrender charge would be imposed.

The deposit paid for the life insurance policies carry guaranteed interests at interest rates ranging from 2.0% to 4.0% plus a premium determined by the insurance company during the tenures of the policies.

Particulars of the policies are as follows:

		Guaranteed interest rates	
Insured sum	Upfront payment	First year	Second year and onwards
Policy A:			
US\$1,108,000 (equivalent to HK\$8,642,000) (2025: equivalent to HK\$8,642,000)	US\$276,000 (equivalent to HK\$2,153,000) (2025: equivalent to HK\$2,153,000)	4% per annum	2% per annum
Policy B:			
US\$1,018,000 (equivalent to HK\$7,940,000) (2025: equivalent to HK\$7,940,000)	US\$280,000 (equivalent to HK\$2,184,000) (2025: equivalent to HK\$2,184,000)	4% per annum	2% per annum

The carrying values of prepayment and deposits paid for life insurance policies at the end of each reporting period are set out as below:

	2026 HK\$'000	2025 HK\$'000
Deposits paid	7,048	6,766
Prepayment	161	168
	7,209	6,934

The directors considered that the carrying values of the prepayment and deposits paid for life insurance policies as at 31 March 2026 and 2025 approximates to its fair value, which is determined by reference to the Cash Value of the insurance policies. The expected life of the policies remained unchanged from the initial recognition. The entire balance of the life insurance policies are denominated in USD, currency other than the functional currency of relevant group entities.

As at 31 March 2026, the Group has prepayment and deposits paid for life insurance policies with carrying values of approximately HK\$7,209,000 (2025: HK\$6,934,000) to secure general banking facilities granted to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

19. INVENTORIES

	2026 HK\$'000	2025 HK\$'000
Materials and consumables for construction works and trading purpose	1,057	1,128
Goods in transit	–	165
	1,057	1,293

20. TRADE RECEIVABLES

The following is an analysis of trade receivables at the end of reporting period:

	2026 HK\$'000	2025 HK\$'000
Trade receivables	4,772	15,183
Less: allowance for impairment loss of trade receivables	(2,846)	(2,833)
	1,926	12,350

The average credit period granted to trade customers ranged from 30 to 60 days.

The following is an aging analysis of trade receivables, net of allowance for impairment loss of trade receivables, presented based on the invoice dates at the end of the reporting period.

	2026 HK\$'000	2025 HK\$'000
Within 30 days	194	9,142
31 to 60 days	98	601
61 to 90 days	589	–
Over 90 days	1,045	2,607
	1,926	12,350

Before accepting any new customers, the Group uses internal credit approval procedures to assess the potential customer's credit quality and defines credit limits for each customer.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables are estimated collectively by using a provision matrix or individually by reference to historical credit loss experience of the debtor, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during both years in assessing the loss allowance for trade receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

20. TRADE RECEIVABLES (Continued)

The movement in the allowance for impairment loss of trade receivables is set out below:

	Lifetime ECL – not credit impaired HK\$'000	Lifetime ECL – credit impaired HK\$'000	Total HK\$'000
At 1 April 2024	27	1,482	1,509
Increase during the year	122	1,202	1,324
At 31 March 2025 and 1 April 2025	149	2,684	2,833
(Decrease) increase during the year	(10)	23	13
At the end of the year	139	2,707	2,846

Details of the credit risk exposure and ECL of trade receivable is set out in note 6.

21. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Deposits and other receivables	376	407
Prepayments	5,506	3,371
	5,882	3,778
	2026 HK\$'000	2025 HK\$'000
Analysed for reporting purpose as:		
Non-current	–	131
Current	5,882	3,647
	5,882	3,778

The Group measures the loss allowance for deposits and other receivables at an amount equal to 12-month ECL. As at 31 March 2026 and 2025, the directors of the Company estimates the 12-month ECL on deposits and other receivables were insignificant.

There has been no change in the estimation techniques or significant assumptions made during both years in assessing the loss allowance for deposits and other receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

22. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2026 HK\$'000	2025 HK\$'000
Analysed as current:		
Retention monies receivables	39,088	37,748
Less: allowance for impairment loss of retention monies receivables	(4,052)	(4,644)
	35,036	33,104
Unbilled revenue	24,346	62,553
Less: allowance for impairment loss of unbilled revenue	(169)	(545)
	24,177	62,008
	59,213	95,112

Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed but not yet billed because the right to receive the consideration is conditional upon satisfaction by the customers on the contract work completed by the Group. The contract assets are transferred to trade receivables when the rights become unconditional.

The decrease in contract assets is due to the decrease of projects engaged during the year.

The Group's construction contracts include payment schedules which require stage payment over the construction period once milestones are reached. Retention monies receivables, in relation to the construction contract works, represented certain percentage of progress payments made to the Group of up to 10% of the value of works done from each progress payment withheld by the customers as retention money, subject to a maximum of 5% of the total contract value. Half of the retention money is released to the Group upon or soon after certification of the final progress payment application by customers, and the remaining half is usually released to the Group upon the end of the retention period, which would normally take place one to two years from the date of certification of the final progress payment application or the completion of the entire project by the main contractor, depending on the terms of the contract between the Group and its customers and the satisfaction of service quality by customers over certain period as stipulated in the contract.

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECL. The ECL on contract assets are estimated collectively by using a provision matrix by reference to historical credit loss experience of the debtor, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

22. CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)

(a) Contract assets (Continued)

There has been no change in the estimation techniques or significant assumptions made during both years in assessing the loss allowance of contract assets.

The movement in the allowance for impairment loss of contract assets is set out below:

	Lifetime ECL – not credit impaired HK\$'000	Lifetime ECL – credit impaired HK\$'000	Total HK\$'000
At 1 April 2024	1,000	8,179	9,179
Decrease during the year	(183)	(3,807)	(3,990)
At 31 March 2025 and 1 April 2025	817	4,372	5,189
Decrease during the year	(337)	–	(337)
Written off	–	(631)	(631)
At the end of the year	480	3,741	4,221

Details of the credit risk exposure and ECL of contract asset are set out note 6.

(b) Contract liabilities

	2026 HK\$'000	2025 HK\$'000
Analysed as current:		
Receipt in advance	1,730	5,239
Billing in advance	10,598	9,232
	12,328	14,471

Contract liabilities represent advance from customers in respect of sale of goods and construction contract. In general, the Group receives certain percentage of the contract sum when enter the agreements depends on the negotiation with individual customers. These deposits are recognised as contract liabilities until the services are rendered.

Revenue recognised during the year ended 31 March 2026 that was included in the contract liabilities as at 1 April 2025 is approximately HK\$8,819,000 (2025: HK\$5,242,000). There was no revenue recognised in the current year that related to performance obligations that were satisfied in a prior year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

23. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Pledged bank deposits

Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group. Deposits have been pledged to secure short-term bank borrowings and undrawn facilities and are therefore classified as current assets.

As at 31 March 2026, the pledged deposits carry fixed interest rate ranging from 0.98% to 3.09% per annum (2025: 0.625% to 4.00% per annum).

Bank balances and cash

Bank balances and cash include demand deposits and short-term bank deposits for the purpose of meeting the Group's short term cash commitment, which carry interest at market rates of 0.01% (31 March 2025: 0.01%) per annum.

24. TRADE AND BILLS PAYABLES

	2026 HK\$'000	2025 HK\$'000
Trade payables	6,534	13,020
Bills payables	9,821	6,170
	16,355	19,190

The following is an aging analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

	2026 HK\$'000	2025 HK\$'000
Within 30 days	5,884	13,722
31 to 90 days	7,149	3,465
91 to 180 days	3,000	1,731
Over 180 days	322	272
	16,355	19,190

The average credit period on purchases of goods is 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Included in the trade and bills payables are the following amounts denominated in a currency other than the functional currency of relevant group entities:

	2026 HK\$'000	2025 HK\$'000
EUR	—	193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

25. ACCRUAL AND OTHER PAYABLES

	2026 HK\$'000	2025 HK\$'000
Accrual	4,071	8,701
Other payables	356	6
	4,427	8,707

26. BANK BORROWINGS

	2026 HK\$'000	2025 HK\$'000
Secured	33,533	54,380

Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):

	2026 HK\$'000	2025 HK\$'000
Within one year	27,359	46,346
After one year but within two years	1,867	1,855
After two years but within five years	3,631	5,031
Over five years	676	1,148
	33,533	54,380

Carrying amount of bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause	6,174	8,034
Carrying amount of bank borrowings that are repayable within one year from the end of the reporting period and contain a repayment on demand clause	27,359	46,346
Amount shown under current liabilities	33,533	54,380

In addition, the Group's bank borrowings carry variable interest rate. The ranges of effective interest rates (which are also equal to contracted interest rates) per annum on the Group's bank borrowings are as follows:

	2026	2025
Effective interest rate:		
Variable-rate bank borrowings	2.00% to 5.07%	2.25% to 8.13%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

26. BANK BORROWINGS (Continued)

During the year ended 31 March 2026, the Group obtained new bank borrowings in the amounts of approximately HK\$45,500,000 (2025: HK\$61,500,000). The loans bear interest at market rates and will be repayable in accordance with the repayment schedule. The proceeds were used to finance the daily operation of the Group.

The amounts of banking facilities and the utilisation at the end of the reporting period are set out as follows:

	2026 HK\$'000	2025 HK\$'000
Facility amount	49,133	64,780
Utilisations at 31 March – Secured bank borrowings	(33,533)	(54,380)
Undrawn facility amount expiring within one year	15,600	10,400

As at 31 March 2026 and 2025, the banking facilities were secured by assets pledged as set out in notes 16, 18 and 23 respectively:

- certain properties of the Group;
- prepayment and deposits paid for life insurance policies; and
- pledged bank deposits of the Group.

27. CONTINGENT LIABILITIES

At 31 March 2026, the Group has been involved in 2 litigation and potential claims against the Group in relation to work-related injury.

In the opinion of the directors of the Company, as insurance policies have been adopted by the main contractor to cover potential loss, the litigation and potential claims are not expected to have a material impact on the consolidated financial statements. Accordingly, no provision has been made to the consolidated financial statements as at 31 March 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

28. DEFERRED TAX LIABILITY

The movements of the deferred tax liability during the current and prior years were as follows:

Deferred tax liability:

	Accelerated tax depreciation HK\$'000
At 1 April 2024	185
Credited to profit or loss (<i>note 10</i>)	(6)
At 31 March 2025 and 1 April 2025	179
Credited to profit or loss (<i>note 10</i>)	(6)
At 31 March 2026	173

At 31 March 2026, the Group had unused tax losses of approximately HK\$76,686,000 (2025: HK\$55,183,000) available to offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of approximately HK\$6,896,000 (31 March 2025: nil). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

29. SHARE CAPITAL

The share capital as at 31 March 2026 and 2025 represented the share capital of the Company.

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
<i>Authorised:</i>		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	2,000,000,000	20,000
<i>Issued and fully paid:</i>		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	800,000,000	8,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

30. 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 flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings HK\$'000 (note 26)	Lease liabilities HK\$'000 (note 17)	Total HK\$'000
At 1 April 2024	52,210	826	53,036
Financing cash flows			
– Addition	61,500	–	61,500
– Repayment	(59,330)	(1,156)	(60,486)
– Interest paid	(4,212)	(59)	(4,271)
Non-cash changes			
– New lease arrangement (note 31)	–	1,477	1,477
– Finance costs incurred	4,212	59	4,271
At 31 March 2025 and 1 April 2025	54,380	1,147	55,527
Financing cash flows			
– Addition	45,500	–	45,500
– Repayment	(66,347)	(889)	(67,236)
– Interest paid	(3,486)	(44)	(3,530)
Non-cash changes			
– Finance costs incurred	3,486	44	3,530
At 31 March 2026	33,533	258	33,791

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

31. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

The Company's share option scheme (the "**Scheme**"), was adopted pursuant to special written resolution of the Company passed on 19 December 2017 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 18 December 2027. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company must not exceed 30% of the shares in issue from time to time. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

Options granted must be taken up on the date of grant, upon payment of HK\$1.00. Options may be exercised at any time from the date of grant of the share option to the tenth anniversary of the date of grant. The exercise price is determined by the board of directors of the Company, and will not be less than the highest of (i) the nominal value of the Company's share; (ii) the closing price of the Company's shares on the date of grant; and (iii) the average closing price of the shares for the five business days immediately preceding the date of grant.

No share options have been granted since the adoption of the scheme and for the years ended 31 March 2026 and 2025.

32. PERFORMANCE BOND

At the end of the reporting period, the Group had provided the following guarantees:

	2026 HK\$'000	2025 HK\$'000
Guarantees in respect of performance bonds in favour of its customers	5,578	5,578

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

33. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors of the Company and other members of key management personnel for the year was as follows:

	2026 HK\$'000	2025 HK\$'000
Short-term benefits	6,004	8,038
Post-employment benefits	36	54
	6,040	8,092

The remuneration of directors of the Company and key executives is determined by the remuneration committee having regard to the performance of the relevant director and key executive and the operating results of the Group as a whole in respect of the financial year.

34. RETIREMENT BENEFIT SCHEME

The Group operates the MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs, capped at HK\$1,500 per month, to the MPF Scheme, in which the contribution is matched by employees.

The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in future years.

For the year ended 31 March 2026, the total cost charged to consolidated statement of profit or loss and other comprehensive income of approximately HK\$385,000 (2025: HK\$402,000) represents contributions payable to the MPF scheme by the Group in respect of the current accounting period.

There were no contributions forfeited by the Group on behalf of its employees who left the schemes prior to vesting fully in such contribution, nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 March 2026 and 2025, no forfeited contributions were available for utilisation by the Group to reduce the existing level of contributions.

Obligation to long service payments (“LSP”) under Hong Kong Employment Ordinance

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to employees in Hong Kong under certain circumstances, subject to a minimum of 5 years employment period, based on this formula:

Last monthly wages (before termination of employment) $\times$ 2/3 $\times$ Years of service.

Last monthly wages are capped at HK\$22,500 while the amount of long service payment shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group’s Mandatory Provident Fund contributions, plus/minus any positive/negative returns thereof (collectively, the “**Eligible Offset Amount**”), for the purpose of offsetting LSP payable to an employee (the “**Offsetting Arrangement**”).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

34. RETIREMENT BENEFIT SCHEME (Continued)

Obligation to long service payments (“LSP”) under Hong Kong Employment Ordinance (Continued)

The Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”) was gazetted on 17 June 2022, which eventually abolished the Offsetting Arrangement. The Amendment Ordinance came into effect prospectively from 1 May 2025 (the “**Transition Date**”). Under the Amendment Ordinance, the Eligible Offset Amount after the Transition Date can only be applied to offset the pre-Transition Date LSP obligation but no longer eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligations before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date.

The Group’s obligation, taking into consideration the Offsetting Arrangement, is considered to be insignificant as at 31 March 2026 and 2025.

35. THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2026 HK\$'000	2025 HK\$'000
Non-current asset			
Investment in a subsidiary	(a)	—*	24
Current assets			
Amounts due from subsidiaries	(b)	68,427	88,147
Prepayment		109	31
Bank balances and cash		41	682
		68,577	88,860
Current liability			
Accrual and other payables		866	24
Net current assets		67,711	88,836
		67,711	88,860
Capital and reserves			
Share capital		8,000	8,000
Reserves	(c)	59,711	80,860
		67,711	88,860

* represent amount less than HK\$1,000

Notes:

(a) As at 31 March 2026, investment in a subsidiary is carried at cost of approximately HK\$44,572,000 (2025: HK\$44,596,000) less accumulated loss of approximately HK\$44,572,000 (2025: HK\$44,572,000).

(b) The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

35. THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes: (Continued)

(c) Movements in reserves

	Share premium HK\$'000	Capital reserve HK\$'000 (Note)	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2024	89,940	44,572	(52,469)	82,043
Loss and total comprehensive expense for the year	–	–	(1,183)	(1,183)
At 31 March 2025 and 1 April 2024	89,940	44,572	(53,652)	80,860
Loss and total comprehensive expense for the year	–	–	(21,149)	(21,149)
At 31 March 2026	89,940	44,572	(74,801)	59,711

Note: Capital reserve represented the difference between the nominal value of the shares issued and the net asset value of the subsidiaries of the Company upon reorganisation.

36. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries as at 31 March 2026 and 2025 are as follows:

	Place of incorporation/ registered/ operation	Issued and fully paid ordinary share capital/ registered capital	Percentage of ownership interest and voting power attributable to the Company				
Name of subsidiary			Directly		Indirectly		Principal activities
			2026	2025	2026	2025	
Fortuna Enterprise Holdings Limited	BVI	USD1	100%	100%	–	–	Investment holding
Kwan Tai Engineering Co., Limited	Hong Kong	HK\$5,000,000	–	–	100%	100%	Trading of building materials and provision of construction and engineering services
Kwan Tai Engineering Co., Limited (Macau)	Macau	MOP25,000	–	–	100%	100%	Dissolving
Kwan Tai Engineering (China) Co., Limited	Hong Kong	HK\$200,000	–	–	100%	100%	Trading of building materials and provision of construction and engineering services
Sun Warm Holding Company Limited	Hong Kong	HK\$10,000	–	–	100%	100%	Property investment

None of the subsidiaries had issued any debt securities outstanding at the end of both years or at any time during both years.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets, equity and liabilities of the Group for the last five financial years is as follows.

RESULTS

	For the year ended 31 March				
	2026 HK\$'000	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue	194,564	207,178	102,540	189,429	337,372
Profit/(loss) before taxation	(25,614)	1,427	(36,654)	(23,183)	15,330
Income tax (expenses)/credit	(348)	(111)	(63)	(23)	(1,588)
Profit/(loss) for the year	(25,962)	1,316	(36,717)	(23,206)	13,742

ASSETS AND LIABILITIES

	As at 31 March				
	2026 HK\$'000	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Assets					
Non-current assets	45,911	55,047	56,920	59,644	59,794
Current assets	91,646	139,319	112,622	171,514	192,897
Total assets	137,557	194,366	169,542	231,158	252,691
Equity and Liabilities					
Total equity	67,720	93,682	92,366	129,083	156,289
Non-current liabilities	173	437	331	1,017	239
Current liabilities	69,664	100,247	76,845	101,058	96,163
Total liabilities	69,837	100,684	77,176	102,075	96,402
Total equity and liabilities	137,557	194,366	169,542	231,158	252,691

The summary above does not form part of the audited financial statements.