King’s Stone Holdings Group Limited
金石控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(formerly known as SILVER TIDE HOLDINGS LIMITED)

Stock code: 1943

2026
ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive Directors:

Mr. He Xin *(Chairman and Chief Executive Officer)*
Ms. Zeng Jingwen
Mr. Chiu Sui Keung *(resigned on 13 January 2026)*
Ms. Cai Ruoxi *(resigned on 2 July 2026)*
Mr. Mu Jiaming *(appointed on 2 July 2026)*
Mr. Zhang Yangguang *(appointed on 2 July 2026)*

Independent Non-executive Directors:

Mr. Lam Williamson
Mr. Li, Sheung Him Michael
Mr. Yu Kuai

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1306, 13th Floor Great Eagle Centre
23 Harbour Road Wan Chai
Hong Kong

COMPANY'S WEBSITE

www.kshgl.com

COMPANY SECRETARY

Mr. Leung Pak Keung

AUTHORISED REPRESENTATIVES

Mr. He Xin
Mr. Leung Pak Keung

AUDIT COMMITTEE

Mr. Lam Williamson *(Chairman)*
Mr. Li, Sheung Him Michael
Mr. Yu Kuai

NOMINATION COMMITTEE

Mr. Li, Sheung Him Michael *(Chairman)*
Ms. Zeng Jingwen
Mr. Lam Williamson

REMUNERATION COMMITTEE

Mr. Yu Kuai *(Chairman)*
Ms. Zeng Jingwen
Mr. Li, Sheung Him Michael

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21st Floor
148 Electric Road
North Point
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited
21/F, Hang Seng Bank Headquarters Building
83 Des Voeux Road Central
Hong Kong

AUDITOR

HLB Hodgson Impey Cheng Limited
(Certified Public Accountants)

STOCK CODE

1943

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Director(s)**") of King's Stone Holdings Group Limited (the "**Company**", together with its subsidiaries, the "**Group**"), I am pleased to present the annual results of the Group for the year ended 31 March 2026 ("**FY2025/26**").

BUSINESS REVIEW

During the year under review, the Group is principally engaged in (i) the provision of construction services for the public and private sectors in Hong Kong, including traditional formwork, system formwork and related ancillary works; and (ii) intelligent storage business.

Over the years, the Group has been deeply involved in the fields of construction and infrastructure engineering, accumulating extensive project management experience and technical capabilities, and has established a solid customer base.

During the year under review, the Group strategically introduced intelligent storage business as a new segment, building upon the Group's deep-rooted experience in construction and infrastructure engineering. Leveraging its project management capabilities and solid customer relationships, the Group successfully extended its core competencies into this innovative field and generated substantial revenue from intelligent storage solutions. This development not only diversified the Group's income streams but also further reinforced its strategy of integrating advanced technologies into its traditional construction business, paving the way for sustainable growth in the evolving market environment.

For FY2025/26, the Group recorded total revenue of approximately HK$556.3 million (for the year ended 31 March 2025 ("**FY2024/25**"): HK$173.4 million). The construction services segment and the intelligent storage segment contributed approximately HK$278.8 million and HK$277.5 million to the Group's revenue, respectively. The Group reported a gross profit of approximately HK$26.0 million (FY2024/25: gross loss of HK$47.1 million).

FUTURE OUTLOOK

Rooted in construction engineering and infrastructure development, the Group is actively expanding into two major areas: "computing power infrastructure" and "smart energy," striving to establish a second growth curve. In the smart energy sector, the Group is focusing on advanced businesses such as AI-driven energy storage and smart industrial parks, while expanding applications like lightweight power battery swapping. We are committed to building a sustainable smart energy ecosystem. In terms of business model, the Group adopts an integrated "investment–construction–operation" approach, leading the integration of capital for project investment and construction, and taking responsibility for planning, facility development, key equipment procurement and supply, as well as subsequent operations. Long-term operational revenues are used to gradually recover investments. Given the high capital requirements and extended payback periods typical of these businesses, the Group will prudently assess project feasibility and market cycles to ensure steady progress. In the area of comprehensive services for new types of high-tech industrial parks (including computing power centers, supercomputing centers, data centers, smart parks, etc.), the Group undertakes planning, equipment installation, procurement, and supply for data storage, computing power, and energy infrastructure. With the rapid development of the digital economy and artificial intelligence industries, computing power infrastructure and high-reliability power systems have become crucial supports for industrial progress. Computing centers, supercomputing centers, and data centers are essentially special-purpose buildings and energy projects characterized by high power density, highly reliable power supply, and advanced cooling systems, which closely align with the Group's core capabilities in civil engineering, electromechanical work, power supply and distribution, and HVAC (heating, ventilation, air conditioning). Leveraging strengths in construction and infrastructure, the Group will actively participate in developing new types of industrial parks and supporting facilities. Drawing on partnerships with park clients and data resources, the Group will expand intelligent computing power services, promote the conversion of computing power into value outcomes such as "tokens", and offer integrated empowerment solutions to park clients. Additionally, by synchronizing strategies in both smart energy and computing power infrastructure, the Group will explore integrated "green power–energy storage–computing power" models to provide low-carbon, stable, and cost-effective energy supply for computing centers. This approach will help reduce data center PUE (Power Usage Effectiveness) and energy costs, align with initiatives such as "East-to-West Data Transfer" and the "dual carbon" goals, and steadily enhance the Group's market influence in new infrastructure fields. Remaining anchored in its core businesses, the Group will leverage industrial chain synergies and advantages in cutting-edge technologies including AI and data systems to promote digitalization, intelligence, and low-carbon transformation of its main operations. This will drive the exploration of new infrastructure markets, continually empower the transformation and upgrading of construction and industrial parks, and further enhance overall competitiveness and sustainable development capabilities.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to our shareholders, customers, subcontractors, suppliers and business partners for their steadfast support during this period of significant change. I also wish to thank all our management and staff members for their dedication and hard work throughout the year.

With the strong backing of our new controlling shareholder and the continued commitment of our team, we look forward to embarking on a new chapter of growth and transformation for King's Stone Holdings Group Limited.

Yours faithfully,
He Xin
Chairman, Chief Executive Officer and Executive Director
King's Stone Holdings Group Limited

24 June 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND OPERATION RESULTS

FINANCIAL HIGHLIGHTS

– Revenue from continuing operations of the Group was approximately HK$556.3 million for FY2025/26, representing an increase of approximately 220.8% as compared with the revenue of approximately HK$173.4 million for FY2024/25.

– Gross profit from continuing operations of the Group was approximately HK$26.0 million for FY2025/26, as compared with the gross loss of approximately HK$47.1 million for FY2024/25.

– Loss attributable to owners of the parent was approximately HK$14.6 million for FY2025/26, whereas loss attributable to owners of the parent was approximately HK$102.1 million for FY2024/25.

– Basic loss per share from continuing and discontinued operations was approximately HK1.44 cents for FY2025/26, and basic loss per share from continuing and discontinued operations was approximately HK10.2 cents for FY2024/25.

– The Board does not recommend the payment of any final dividend for FY2025/26.

BUSINESS REVIEW

The Group is principally engaged in the provision of formwork work services and intelligent storage business. The total revenue for FY2025/26 amounted to approximately HK$556.3 million, representing an increase of approximately HK$382.9 million or 220.8% as compared to approximately HK$173.4 million for FY2024/25. Such increase was primarily attributable to the contribution of revenue in the sum of approximately HK$277.5 million from the intelligent storage segment during FY2025/26.

The gross profit of approximately HK$26.0 million was reported for FY2025/26, compared to the gross loss of approximately HK$47.1 million for FY2024/25, which was primarily due to the revenue from the intelligent storage segment during FY2025/26.

BUSINESS PROSPECT

Looking ahead, the Group will continue to fortify its core strengths in construction engineering and actively pursue opportunities emerging from the digitalisation of the industry. In response to evolving market demands and technological advancements, the Group is diversifying its business and has established “intelligent storage” as a key new growth area alongside its traditional construction business.

During the year, leveraging its established track record and technical expertise, the Group has gradually extended its presence into smart energy and computing power infrastructure, focusing on future growth engines such as AI-driven energy storage, smart industrial parks, data centers, and related high-tech infrastructure. In particular, our integrated “investment–construction–operation” business model enables the Group to participate in every stage from project planning and facility development to ongoing operations, aiming to achieve long-term, stable returns.

The Board recognises the significant potential of computing power infrastructure and smart energy solutions in the digital economy era. With our core competencies in civil engineering, power supply, and HVAC, the Group is well-positioned to capture the opportunities brought about by increasing demand for high-density, reliable, and low-carbon infrastructure in data centers and industrial parks. The Group will also continue to assess market trends and project viability carefully, with a prudent approach to capital allocation and risk management.

Going forward, the Group will further leverage its industry partnerships and technological resources to drive innovation and support the green transformation of traditional and emerging business segments. By seizing new opportunities in “green power–energy storage–computing power” integration, the Group is committed to enhancing operational efficiency and creating additional value for shareholders.

The Board remains cautiously optimistic about the outlook for the construction and new infrastructure sectors, and will continue to advance the Group’s transformation toward a more technology-driven, diversified, and sustainable business model.

FINANCIAL REVIEW

Analysis of key items of results of operations

Revenue

Our revenue was approximately HK$556.3 million for FY2025/26, representing an increase of approximately 220.8% as compared with the revenue of approximately HK$173.4 million for FY2024/25.

Gross profit/(loss) and gross profit/(loss) margin

Our gross profit/(loss) and gross profit/(loss) margin for FY2025/26 and FY2024/25 respectively were as follows:

	FY2025/26	FY2024/25
Revenue (HK$'000)	**556,314**	173,388
Gross profit/(loss) (HK$'000)	**25,962**	(47,137)
Gross profit/(loss) margin	**4.7%**	(27.2%)

The Group recorded a gross profit of approximately HK$26.0 million reported for FY2025/26, compared to the gross loss of approximately HK$47.1 million for FY2024/25. This change was primarily due to the revenue from the intelligent storage segment during FY2025/26.

The construction services segment and the intelligent storage segment contributed approximately HK$278.8 million and approximately HK$277.5 million to the Group's revenue for FY2025/26, respectively. The revenue from the construction services segment of approximately HK$278.8 million for FY2025/26 represents an increase of approximately 60.8% as compared to that of approximately HK$173.4 million for FY2024/25.

Other income and gains

Other income and gains remained relatively stable, amounting to approximately HK$0.4 million for FY2025/26 and approximately HK$0.7 million for FY2024/25.

Administrative and other operating expenses

Administrative and other operating expenses decreased by approximately HK$17.6 million or 36.1% from approximately HK$48.8 million for FY2024/25 to approximately HK$31.2 million for FY2025/26. Such decrease was mainly attributable to the decrease in discretionary bonus to staff of approximately HK$22.0 million for FY2025/26.

Other losses

The Group recorded other losses of approximately HK$5.2 million for FY2025/26 (for FY2024/25: approximately HK$4.3 million), which was mainly attributable to the impairment loss on trade receivable and contract assets of approximately HK$4.5 million and approximately HK$0.7 million, respectively, for FY2025/26.

Finance costs

Finance costs remained relatively stable, amounting to approximately HK$146,000 for FY2025/26 and approximately HK$12,000 for FY2024/25.

Income tax

For FY2025/26, the Group's income tax expenses amounted to approximately HK$4.0 million, as compared with approximately HK$0.2 million of income tax credit for FY2024/25.

Loss attributable to owners of the parent

As a result of the foregoing, the loss attributable to owners of the parent amounted to approximately HK$14.6 million for FY2025/26 as compared to the loss attributable to owners of the parent of approximately HK$102.1 million for FY2024/25.

Final dividend

The Board has resolved not to recommend the declaration of any final dividend for FY2025/26 (FY2024/25: nil).

Liquidity and financial resources

Our primary uses of capital are to satisfy our working capital needs and to fund our construction projects. We finance our working capital mainly through (i) cash generated from operating activities, which primarily comprises cash receipts from our revenue derived from formwork and other construction services; (ii) bank borrowings; and (iii) proceeds from issuance of new shares of the Company (the "**Share(s)**"). In managing our liquidity, our management monitors and maintains a reasonable level of cash and cash equivalents which are deemed adequate by our management to finance our operations and to mitigate the impacts of fluctuations in cash flows. We rely on cash and cash equivalents on hand and the cash generated from operating activities as the main sources of liquidity. As at 31 March 2026, our cash and cash equivalents, net current assets and total assets less current liabilities were approximately HK$24.4 million (as at 31 March 2025: approximately HK$9.7 million), approximately HK$113.7 million (as at 31 March 2025: approximately HK$105.3 million) and approximately HK$117.2 million (as at 31 March 2025: approximately HK$105.6 million), respectively.

Contingent liabilities

As at 31 March 2026, the Group did not have any material contingent liabilities (as at 31 March 2025: nil).

Capital commitments

As at 31 March 2026, the Group did not have any capital commitments in respect of the acquisitions of property, plant and equipment (as at 31 March 2025: nil) contracted for but not provided in the consolidated financial statements of the Group.

Funding and treasury policy

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with licensed banks. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Foreign currency risk

The Group has no significant exposure to foreign currency risk because almost all of the Group's transactions are denominated in Hong Kong dollars. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure as and when appropriate.

Gearing ratio

As at 31 March 2026, the Group's gearing ratio was nil (as at 31 March 2025: nil), representing total bank and other borrowings as a percentage of total equity.

Segment information

Segment information for the Group is disclosed in note 7 to the consolidated financial statements in this annual report.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During FY2025/26, save as disclosed herein, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

SIGNIFICANT INVESTMENT HELD

During FY2025/26, the Group had not held any significant investment.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

During FY2025/26, the Group did not have any plans for material investments and capital assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2026, the Group employed 60 employees in Hong Kong and the PRC (31 March 2025: 31 employees). The remuneration package that our Group offers to employees includes salary, bonuses and other cash subsidies. In general, our Group determines employee salaries based on each employee's qualifications, position and seniority. As required by Hong Kong laws, we have enrolled all of our full-time staff in the Mandatory Provident Fund Scheme. We intend to maintain our remuneration package competitive in order to attract and retain talented labour, and we regularly provide trainings to our employees and carry out staff evaluation to assess their performance. For the year ended 31 March 2026, senior management of the Company comprises 1 individual. The remuneration paid to the Group's senior management, other than Directors, fell within the following band:

Remuneration (per annum)	Number of individuals
Nil to HK$1,000,000	1

Under the applicable PRC laws and regulations, the Group is subject to social insurance contribution plans. In Hong Kong, the Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. As at 31 March 2026, there was no forfeited contribution in relation to pension schemes (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) in the Group. Hence, there is no forfeited contribution available for the Group to reduce its existing level of contributions to the pension schemes in future years.

CAPITAL STRUCTURE

The Shares were listed on Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 28 June 2019 (the "**Listing Date**"). As at 31 March 2026, the capital structure of the Company primarily comprised issued share capital and reserves.

CODE ON CORPORATE GOVERNANCE PRACTICES

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. From 1 April 2025 to 11 July 2025, Mr. Wang Jianfeng ("**Mr. Wang**") assumed the dual role as the chairman of the Board and the chief executive officer of the Company. Since 11 July 2025, Mr. He Xin ("**Mr. He**") has assumed the dual role as the chairman of the Board and the chief executive officer of the Company. However, the Board believes that with the support of the management, vesting the roles of both chairman of the Board and chief executive officer on Mr. Wang or Mr. He can facilitate the execution of the Group's business strategies and provide a strong and consistent leadership to improve the Company's efficiency in decision-making. The Board considers that appointment of Mr. Wang as the chairman of the Board and the chief executive officer of the Company since the commencement of FY2025/2026 until 11 July 2025, and subsequently the appointment of Mr. He as the chairman of the Board and the chief executive officer of the Company since 11 July 2025, would not impair the balance of power as all major decisions are made in consultation with members of the Board. In addition, under the supervision by the Board which currently consists of four executive Directors and three independent non-executive Directors, the interests of the Shareholders will be adequately and fairly represented. Therefore, the Board considers the deviation from the code provision C.2.1 of the CG Code is appropriate under such circumstances. However, the Board will periodically review the effectiveness of this arrangement and consider separating the roles of chairman of the Board and chief executive officer of the Company when it thinks appropriate.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. He Xin (何鑫), aged 42, is an executive Director, the chairman of the Board and the chief executive officer of the Company. He joined our Group on 11 July 2025. Mr. He obtained a bachelor's degree of commerce with a major in accounting from The University of Auckland in May 2011. Mr. He has a keen insight into the strategic development direction of companies with extensive experience in business management. He worked at the financial assets department in Daye Nonferrous Metals Group Holdings Co., Ltd.* (大冶有色金屬集團控股有限公司) ("**Daye Group**"), a state-owned large-scale copper industry joint enterprise, from 2010 to 2013. From 2014 to 2017, he served as the director of the finance department and assistant of the general manager at Daye Nonferrous Southern Industry and Trade Co., Ltd.* (大冶有色南方工貿有限公司), a subsidiary of Daye Group and a company principally engaged in nonferrous metal products and raw materials. From 2020 to 2022, he was the vice president of Shanghai Jinqiu Enterprise Management Co., Ltd.* (上海金丘企業管理有限公司), a company principally engaged in real estate operations, supply chain management and financial services. From 2023 to 2024, he worked as the vice president of Shanghai Xinhongda Industrial Development Co., Ltd.* (上海昕虹達實業發展有限公司), which was dissolved by deregistration in October 2024 due to cessation of business. He worked at Innovation Times Global Co., Limited* (鼎新時代環球有限公司), a company principally engaged in investment industry, investment management, import and export trade and electronic product sales since August 2024 and currently serves as its president. He is also currently a director of the Hong Kong Young Scientists Association to promote the development of future technologies in Hong Kong.

Ms. Zeng Jingwen (曾婧雯), aged 29, is an executive Director and a member of each of the nomination committee (the "**Nomination Committee**") and the remuneration committee of the Company (the "**Remuneration Committee**"). She joined our Group on 11 July 2025. Ms. Zeng obtained a bachelor's degree in events management from the University College Birmingham in September 2019. Ms. Zeng has several years of experience in procurement of electronic parts and components in the PRC. She has been working as an Asia procurement specialist for Shenzhen Huaqiang Electronic Network Group Co., Ltd.* (深圳華強電子網集團股份有限公司), a service provider that focuses on the electronic components, from November 2021 to April 2024.

Mr. Mu Jiaming (母家銘), aged 47, was appointed as an executive Director on 2 July 2026. He has over 15 years of experience in corporate management, investment development and financing leasing. He has extensive experience in overall corporate operations management, strategic planning and business expansion. From 2010 to 2014, Mr. Mu served as the chairman of Guangzhou Yujun Trading Co., Ltd.* (廣州鈺俊貿易有限公司). During the period from 2010 to 2014, he also served as the deputy general manager of Shenzhen Sihai Tiandi Investment Development Co., Ltd.* (深圳市四海天地投資發展有限公司), where he was responsible for business development and operational management. From August 2014 to June 2026, Mr. Mu served as the chairman and general manager of Jiangxi Zhongtong Financial Leasing Co., Ltd.* (江西中通融資租賃有限公司), where he was primarily responsible for overseeing the overall operation of the company, formulating business strategies, managing financing arrangements and supervising daily management and project execution. Mr. Mu obtained a bachelor's degree from Central China Normal University (華中師範大學) in the PRC.

Mr. Zhang Yangguang (張仰光), aged 41, was appointed as the chief financial officer of the Company on 10 April 2026 and as an executive Director on 2 July 2026. Mr. Zhang has over 17 years of experience in financial management and capital markets. Prior to joining the Company, he served as vice president, director and board secretary of Guizhou Hisun Lithium Energy Technology Co., Ltd. (貴州航盛鋰能科技有限公司) from August 2021 to February 2026, where he was responsible for the management of the investment and financing, finance, procurement and legal departments. Previously, Mr. Zhang held senior finance positions at Shenzhen iCarbonX Co., Ltd. (深圳碳雲智能科技有限公司) and Farasis Energy (Ganzhou) Co., Ltd. (孚能科技(贛州)股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code: 688567). He also worked as an audit manager at Friedman LLP and PricewaterhouseCoopers Zhong Tian LLP, where he participated in audits of listed companies and IPO engagements. Mr. Zhang holds a Master's degree in Business Administration and dual Bachelor's degrees in Information Management & Information Systems and in Business English from Jilin University (吉林大學), the PRC. He is a non-practising member of the Chinese Institute of Certified Public Accountants, has passed the U.S. Certified Public Accountant examinations, and holds qualifications as a Board Secretary of the Shanghai Stock Exchange, as well as fund and securities practitioner licences in the PRC.

Independent non-executive Directors

Mr. Lam Williamson (林全智), aged 51, is an independent non-executive Director, the chairman of the audit committee of the Company (the "**Audit Committee**") and a member of the Nomination Committee. He joined our Group on 11 July 2025. Mr. Lam is a fellow member of The Hong Kong Institute of Certified Public Accountants since February 2009 and a member of the CPA (Australia) since January 2001. He holds a bachelor of business degree from Monash University, Australia and a master of professional accounting degree from the Hong Kong Polytechnic University. Mr. Lam had held directorships and senior finance positions in various listed companies in Hong Kong. He is an independent non-executive director of Lerado Financial Group Company Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1225), since July 2018, an independent non-executive director of Wanjia Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 401), since 2 March 2026, and an independent non-executive director of Elife Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 223), from January 2011 to March 2025.

Mr. Li, Sheung Him Michael (李尚謙), aged 42, is an independent non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee. He joined our Group on 11 July 2025. Mr. Li was appointed as an executive director of Langu Company Limited ("**Langu**", and together with its subsidiaries, the "**Langu Group**"), a company listed on GEM of the Stock Exchange (Stock Code: 8072) since 31 May 2018. He is also a director of a number of subsidiaries of Langu. Since January 2010, Mr. Li has been working in the Langu Group as a project director. From September 2007 to November 2009, Mr. Li was the business development manager of Kinetics Group in London. Mr. Li obtained a bachelor of science degree in biochemistry from Imperial College of Science, Technology and Medicine of University of London in August 2005 and a master of research degree in structural biology from Birkbeck College of University of London in November 2006. Mr. Li is also a member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Mr. Yu Kuai (余快), aged 37, is an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee. He joined our Group on 11 July 2025. Mr. Yu obtained a bachelor's degree in electronic engineering from the Hong Kong University of Science and Technology in November 2012. Mr. Yu serves as the managing director of Wilvision Investment Limited, which is principally engaged in providing integrated wealth management and family office services, since June 2022. Before that, he served as the chief financial officer of Blockshine Technology Global Holding Limited, which is principally engaged in blockchain related business consulting and development services, from June 2018 to May 2019.

DIRECTORS' REPORT

DIRECTORS' REPORT

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for FY2025/26.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in (i) the provision of construction services for the public and private sectors in Hong Kong, including traditional formwork, system formwork and related ancillary works; and (ii) intelligent storage business during FY2025/26.

PRINCIPAL PLACE OF BUSINESS

The Company is an exempted company incorporated in the Cayman Islands on 24 July 2018 with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at Suite 1306, 13th Floor, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong.

SEGMENT INFORMATION

Details of the Group's operating segments and geographical information are set out in note 7 to the consolidated financial statements. During the year ended 31 March 2025, the Group's business was regarded as a single operating segment. During the year ended 31 March 2026, the Group's operations were divided into two operating segments and were conducted in Hong Kong and the PRC.

RESULTS AND DIVIDEND

The results of the Group for FY2025/26 are set out in the consolidated statement of profit or loss and other comprehensive income on page 51.

The Board did not recommend the payment of a final dividend for FY2025/26. As at the date of this annual report, the Board is not aware of any shareholders who have waived or agreed to waive any dividends.

ANNUAL GENERAL MEETING

The notice convening the forthcoming annual general meeting (the "**AGM**") of the Company, together with the related circular and proxy form, will be despatched to shareholders in due course. The relevant book closure dates for determining shareholders' entitlement to attend and vote at the AGM will be announced separately when the notice of AGM is issued.

BUSINESS REVIEW

The review of the Group's businesses and outlook for FY2025/26 is set out in the sections headed "Chairman's Statement" on pages 3 to 4 and "Management Discussion and Analysis" on pages 5 to 11 of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's results of operation may vary significantly from time to time depending on, among other factors, the political and economic environment, level of competitiveness, the quality of service and timeliness of subcontractors, and the adequacy and efficiency of internal processes implemented by staff and systems. The Group believes that there are certain risks and uncertainties involved both in the operations and in the markets which can be summarised as below.

Operational Risks

The Group determines the contract price based on the estimated time and costs involved in the subject project. Due to unexpected circumstances such as bad weather, social, political and economic conditions in Hong Kong, the actual time and costs incurred in construction projects may exceed the Group's estimation at the time of tendering submission and the work in progress may be interrupted. As a result, such variations could adversely affect the Group's operations and financial results. In such situations, the Group will implement measures such as recruiting additional manpower including subcontracting part of the construction works in order to expedite the work progress.

The Group's liquidity position may be adversely affected if the progress payment or the retention money is not paid or released to the Group on time or in full or the construction project cash flows are fluctuated. To mitigate the pressure of financial liquidity, the Group prepares aging analysis on a regular basis and contacts the management level of the customers so as to get a better understanding of their financial status.

Any delay in project would affect the Group's cash position. The Group has regular progress meetings with customers regarding each construction site's progress. The Group shall then plan the deployment of labour and other resources accordingly. The Group's accounting and finance department also forecasts the works to be done in the forthcoming months to plan the liquidity and working capital use and reports to the management of the Group who shall then consider whether contingency plans are required.

Market Risks

Despite the construction industry is one of the traditional core industries in Hong Kong and it is currently benefitting from strong housing needs and large infrastructure projects by the Hong Kong government, the construction industry may suffer adverse impact of the change in government policies, financial crisis and unanticipated natural disasters. Delays in project commencement, particularly projects in the public sector due to late approval of new funding, escalation in purchase price of construction materials or deployment of labour may affect the project portfolio. Nevertheless, the Group will not just rely on participating in projects from public sector but the Group will also be more involved in projects from the private sectors.

Labour shortage and ageing problem have taken root in the construction industry for a number of years and the Group has leveraged on the good relationship with the labour and subcontractors to mitigate this risk. The Group has a list of approved subcontractors which the Group has reviewed and updated regularly to ensure that they have maintained sufficient work force. The project team has regular meetings to discuss the deployment of labour, including the timing and number of workers required from time to time. The Group has early planning in the formwork design stage and will introduce system formwork where possible since the assembling of system formwork demands less workmanship as compared to timber formwork which is more labour intensive at a higher cost.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to minimising the adverse impact to the environment caused by business operations. In order to comply with the applicable environmental protection laws and regulations, the Group established an environmental management policy to ensure proper management of environmental protection and compliance of environmental laws and regulations by both employees and workers of the subcontractors on among others, air pollution, noise control and waste disposal. The Group will continue to reduce the impacts of its operation on the environment and continue to make efforts to save energy.

The "Environmental Social and Governance Report" of the Company prepared in accordance with the requirements set out in Appendix C2 to the Listing Rules will be published by 31 July 2026.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During FY2025/26, these was no material breach or non-compliance with the applicable laws and regulations by the Group.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining good relationships with its employees, suppliers, customers and other stakeholders to meet its immediate and long-term goals. During FY2025/26, there were no material and significant dispute between the Group and its suppliers, customers and/or stakeholders.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during FY2025/26 are set out in note 18 to the consolidated financial statements.

BANK BORROWINGS

During FY2025/26, there was no bank borrowings of the Group.

SHARE CAPITAL

Details of movement in the Company's share capital during FY2025/26 are set out in note 29 to the consolidated financial statements.

CHARITABLE DONATIONS

The Group did not make any charitable donations for the year ended 31 March 2026.

RESERVES

Details of movements in the reserves of the Company and the Group during FY2025/26 are set out in note 39 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

As of 31 March 2026, the Group had reserves amounted to approximately HK$104.9 million available for distribution.

DIRECTORS

The directors of the Company (the "**Directors**") during FY2025/26 and up to the publication date of this annual report were as follows:

Executive Directors:
Mr. He Xin *(Chairman and Chief Executive Officer) (appointed on 11 July 2025)*
Mr. Wang Jianfeng *(resigned as Chairman and Chief Executive Officer on 11 July 2025 and as executive director on 31 July 2025)*
Ms. Zeng Jingwen *(appointed on 11 July 2025)*
Mr. Chiu Sui Keung *(Vice Chairman) (appointed on 11 July 2025 and resigned on 13 January 2026)*
Ms. Cai Ruoxi *(appointed on 11 July 2025 and resigned on 2 July 2026)*
Mr. Mu Jiaming *(appointed on 2 July 2026)*
Mr. Zhang Yangguang *(appointed on 2 July 2026)*

Non-executive Directors:
Mr. Cai Huihui *(resigned on 31 July 2025)*
Ms. Liu Jingna *(resigned on 31 July 2025)*
Mr. Ruan Dongdong *(resigned on 31 July 2025)*

Independent Non-executive Directors:
Mr. Wang Wenxing *(resigned on 31 July 2025)*
Ms. Florence Ng *(resigned on 31 July 2025)*
Mr. An Wen Long *(resigned on 31 July 2025)*
Mr. Lam Williamson *(appointed on 11 July 2025)*
Mr. Li, Sheung Him Michael *(appointed on 11 July 2025)*
Mr. Yu Kuai *(appointed on 11 July 2025)*

The Directors' biographical details are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report. Information regarding Directors' emoluments are set out in note 12 to the consolidated financial statements.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all of the independent non-executive Directors to be independent.

SERVICE CONTRACTS OF THE DIRECTORS

Each of the Directors has entered into a service contract or a letter of appointment with the Company for a term of three years and shall be terminable by either party giving not less than three months' notice in writing to the other.

In accordance with Articles 83 and 84 of the Articles of Association, each of the Directors will hold office until the first annual general meeting of the Company and will then be eligible for re-election. None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During FY2025/26, there were no connected transactions or continuing connected transactions of the Company as defined under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, annual review, announcement or independent shareholders' approval requirements under the Listing Rules. Save as disclosed under the "Related Party Transactions" in note 34 to the consolidated financial statements in this annual report, there were no transaction, arrangement or contract of significance, to which the Company, any of its subsidiaries, its parent company, or its parent company's subsidiaries was a party, and in which a Director of any entity connected with a Director had a material interest, whether directly and indirectly, subsisted as at 31 March 2026 or any time during FY2025/26, nor was there any other transaction, arrangement or contract of significance in relation to the Group's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

RELATED PARTY TRANSACTIONS

Related party transactions during FY2025/26 are disclosed in note 34 to the consolidated financial statements in this annual report. None of these related party transactions constituted connected transaction or continuing connected transaction under the Listing Rules.

MANAGEMENT CONTRACTS

The Company did not enter into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Group during FY2025/26.

SHARE SCHEMES

2019 SHARE OPTION SCHEME

The Company adopted a share option scheme on 8 June 2019 (the "**2019 Share Option Scheme**"). The purpose of the 2019 Share Option Scheme was to provide incentives and rewards to eligible participants for their contribution to the Group.

On 26 September 2025, the Company adopted the 2025 Share Scheme (as defined below) and the 2019 Share Option Scheme was terminated on the same date. Following termination, no further options may be granted under the 2019 Share Option Scheme.

No options had been granted, exercised, cancelled or lapsed under the 2019 Share Option Scheme since its adoption and no options were outstanding as at 1 April 2025 and 31 March 2026. No share-based payment expense was recognised during the year ended 31 March 2026 in respect of the 2019 Share Option Scheme.

For further details, please refer to note 30 to the consolidated financial statements.

2025 SHARE SCHEME

The Company adopted a new share scheme (the "**2025 Share Scheme**") pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 26 September 2025. The 2025 Share Scheme allows the Company to broaden the types of equity incentives it can utilize by allowing the grant of both share awards and share options. Upon the adoption of the 2025 Share Scheme, the 2019 Share Option Scheme was terminated with effect from the same date and no further options may be granted thereunder.

Purpose

The purpose of the 2025 Share Scheme is to provide the Company with flexible means of remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to eligible participants; to align the interests of eligible participants with those of the Company and Shareholders by providing such eligible participants with the opportunity to acquire shareholding interests in the Company; and to encourage eligible participants to contribute to the long-term growth and profitability of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

Awards

An award (the "**Award**") may take the form of a share award or a share option, which may be satisfied by new Shares (including treasury Shares), existing Shares and/or Shares acquired by a trustee in the market in accordance with the rules of the 2025 Share Scheme.

Eligible Participants

Eligible participants under the 2025 Share Scheme shall include employee participants, namely any person who is an employee (whether full-time, part-time or under other employment arrangements) or Director of any member of the Group, including persons who are granted Awards under the 2025 Share Scheme as an inducement to enter into employment contracts with any member of the Group. No service provider sublimit has been adopted under the 2025 Share Scheme.

Maximum number of Shares

The scheme mandate limit, namely, the total number of Shares which may be issued (including any transfer of treasury Shares) in respect of all Awards to be granted under the 2025 Share Scheme together with the number of Shares which may be issued pursuant to all options and awards to be granted under any other share schemes of the Company, shall initially be the number of Shares representing 10% of the total issued Shares (excluding any treasury Shares) as at the date on which the 2025 Share Scheme is adopted by the Shareholders, being 100,000,000 Shares. Awards lapsed in accordance with the rules of the 2025 Share Scheme will not be regarded as utilised for the purpose of calculating the scheme mandate limit.

Maximum entitlement for each participant

Unless approved by the Shareholders in the manner set out in the rules relating to the 2025 Share Scheme, the total number of Shares issued and to be issued upon exercise of Awards granted and to be granted under the 2025 Share Scheme and any other share schemes of the Company to each eligible participant (including both exercised and outstanding Awards) in any 12-month period shall not exceed 1% of the total number of Shares in issue (excluding any treasury Shares). Any grant of Awards to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval requirements under Chapter 17 of the Listing Rules.

Remaining life of the 2025 Share Scheme

The term of the 2025 Share Scheme is 10 years commencing on 26 September 2025 and up to 25 September 2035, unless terminated earlier in accordance with its terms. The remaining life of the 2025 Share Scheme as at 31 March 2026 is approximately 9.5 years.

Granting of share awards and share options

An Award granted under the 2025 Share Scheme may take the form of a share award or a share option, which may be funded by new Shares (including treasury Shares), existing Shares and/or Shares acquired by a trustee in the market underlying such Award.

Exercise period

Subject to the vesting of the share options, the exercise period for share options shall not be longer than 10 years from the date of grant. A share option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the tenth anniversary from the date of grant.

Vesting period

The vesting period in respect of any Award shall not be less than 12 months from the date of grant, except in specific circumstances as provided under the rules of the 2025 Share Scheme and in compliance with the Listing Rules, including where Awards are granted with a mixed or accelerated vesting schedule, grants are made as "make-whole" awards to new joiners, or where other exceptional circumstances apply as permitted under Chapter 17 of the Listing Rules.

Issue price and exercise price

The issue price for Awards which take the form of share awards shall be such price determined by the Board and notified to the grantee in the Award letter. For the avoidance of doubt, the Board may determine the issue price to be nil in accordance with the rules of the 2025 Share Scheme.

The exercise price for share options shall be determined by the Board and shall in any event be not less than the higher of: (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant.

Acceptance

The Board may determine the amount (if any) payable on application or acceptance of an Award and the period within which any such payments must be made, which amounts (if any) and periods shall be set out in the Award letter. Unless otherwise specified in the Award letter, the grantee shall have 21 days from the date of grant to accept the Award, following which the portion not accepted by the grantee shall automatically lapse.

Termination

The 2025 Share Scheme shall terminate on the earlier of (a) the tenth anniversary of the date on which the 2025 Share Scheme is adopted by the Shareholders; and (b) such date of early termination as determined by the Board, provided that notwithstanding such termination, the 2025 Share Scheme and the scheme rules shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of any Awards granted prior to the termination of the 2025 Share Scheme and such termination shall not affect any subsisting rights already granted to any grantee thereunder.

Additional information for the 2025 Share Scheme

On 17 October 2025, the Company granted 27,000,000 share options (adjusted to 18,900,000 share options on 23 October 2025) and 3,000,000 share awards (adjusted to 2,100,000 share awards on 23 October 2025) to Directors. The exercise price of the share options was HK$0.92 per Share. The options and awards vest in four tranches between November 2025 and October 2026 and are not subject to performance targets. On 13 January 2026, 6,750,000 unvested options and 250,000 unvested awards were forfeited following the resignation of a Director. During the year ended 31 March 2026, no options were exercised. As at 31 March 2026, 12,150,000 share options remained outstanding and 800,000 share awards remained outstanding.

The number of options and awards available for grant under the scheme mandate as at 1 April 2025 and 31 March 2026 were 100,000,000 and 70,000,000, respectively.

The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the year ended 31 March 2026 divided by the weighted average number of issued Shares (excluding treasury shares of the Company) for the year ended 31 March 2026 is approximately 2.9%.

The Remuneration Committee reviewed and approved the grants made to Directors under the 2025 Share Scheme and considered that the grants are in line with the purpose of the scheme, provide appropriate long term incentives and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Details of the share options granted under the 2025 Share Scheme and their movements during FY2025/26 are as follows:

				Number of options							
Name or category of option holders	**Date of grant**	**Exercise period**	**Exercise price (HK$)**	**Outstanding as at 1 April 2025**	**Granted during FY2025/26**	**Exercised during FY2025/26**	**Cancelled/ forfeited during FY2025/26**	**Lapsed during FY2025/26**	**Outstanding as at 31 March 2026**	**Closing price immediately before the date of grant (HK$)**	**Weighted average closing price immediately before exercise date during FY2025/26 (HK$)**
Directors, former Director or substantial shareholder											
Mr. He Xin	17 October 2025	17 November 2025 – 16 October 2035	0.92	–	9,000,000	–	–	–	9,000,000	0.80	N/A
Ms. Zeng Jingwen	17 October 2025	17 November 2025 – 16 October 2035	0.92	–	9,000,000[2]	–	(8,100,000)[2]	–	900,000	0.80	N/A
Mr. Chiu Sui Keung	17 October 2025	17 November 2025 – 16 October 2035	0.92	–	9,000,000	–	(6,750,000)[3]	–	2,250,000	0.80	N/A
Total				**-**	**27,000,000**	**-**	**(14,850,000)**	**-**	**12,150,000**		

Notes:

1. The vesting periods of certain share options granted during FY2025/26 were shorter than 12 months due to the adoption of a mixed vesting schedule as permitted under the rules of the 2025 Share Scheme.

2. The grant to Ms. Zeng Jingwen was updated on 23 October 2025 to comply with Rule 17.04(3) of the Listing Rules. Following the update, the total number of share options granted to Ms. Zeng was adjusted from 9,000,000 to 900,000. Such 8,100,000 options were cancelled.

3. On 13 January 2026, 6,750,000 unvested options were forfeited following the resignation of Mr. Chiu Sui Keung as a Director.

Details of the share awards granted under the 2025 Share Scheme and their movements during FY2025/26 are as follows:

		Number of awards								
Name or category of option holders	Date of grant	Granted during FY2025/26	Vested during FY2025/26	Cancelled/ forfeited during FY2025/26	Lapsed during FY2025/26	Outstanding as at 31 March 2026	Vesting date	Purchase price of share awards (HK$)	Closing price immediately before the date of grant (HK$)	Weighted average closing price immediately before vesting date during FY2025/26 (HK$)
Directors, former Director or substantial shareholder										
Mr. He Xin	17 October 2025	250,000	(250,000)	–	–	–	17 November 2025	–	0.80	0.86
	17 October 2025	250,000	(250,000)	–	–	–	17 February 2026	–	0.80	0.74
	17 October 2025	250,000	–	–	–	250,000	17 May 2026	–	0.80	N/A
	17 October 2025	250,000	–	–	–	250,000	17 October 2026	–	0.80	N/A
Sub-total		1,000,000	(500,000)	–	–	500,000				
Ms. Zeng Jingwen	17 October 2025	250,000	(25,000)	(225,000)	–	–	17 November 2025	–	0.80	0.86
	17 October 2025	250,000	(25,000)	(225,000)	–	–	17 February 2026	–	0.80	0.74
	17 October 2025	250,000	–	(225,000)	–	25,000	17 May 2026	–	0.80	N/A
	17 October 2025	250,000	–	(225,000)	–	25,000	17 October 2026	–	0.80	N/A
Sub-total		1,000,000[2]	(50,000)	(900,000)[2]	–	50,000				
Mr. Chiu Sui Keung	17 October 2025	250,000	(250,000)	–	–	–	17 November 2025	–	0.80	0.86
	17 October 2025	250,000	(250,000)	–	–	–	17 February 2026	–	0.80	0.74
	17 October 2025	250,000	–	–	–	250,000	17 May 2026	–	0.80	N/A
	17 October 2025	250,000	–	(250,000)[3]	–	–	17 October 2026	–	0.80	N/A
Sub-total		1,000,000	(500,000)	(250,000)	–	250,000				
Total		**3,000,000**	**(1,050,000)**	**(1,150,000)**	**-**	**800,000**				

Notes:

1. The vesting periods of certain share awards granted during FY2025/26 were shorter than 12 months due to the adoption of a mixed vesting schedule as permitted under the rules of the 2025 Share Scheme.

2. The grant to Ms. Zeng Jingwen was updated on 23 October 2025 to comply with Rule 17.04(3) of the Listing Rules. Following the update, the total number of share awards granted to Ms. Zeng was adjusted from 1,000,000 to 100,000. Such 900,000 awards were cancelled.

3. On 13 January 2026, 250,000 unvested awards were forfeited following the resignation of Mr. Chiu Sui Keung as a Director.

TAX RELIEF

The Company is not aware of any relief on taxation available to the shareholders of the Company (the "**Shareholder(s)**") by reason of their holdings of the shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in or exercising of any rights in relation to the shares, they are advised to consult their professional advisers.

SUFFICIENCY OF PUBLIC FLOAT

As disclosed in the announcements of the Company dated 19 August 2025 and 22 August 2025, immediately following the close of the mandatory unconditional cash offer in August 2025, the public float of the Company temporarily fell below the minimum 25% requirement under Rule 8.08(1)(a) of the Listing Rules. The Stock Exchange granted a temporary waiver from strict compliance with the minimum public float requirement for the period from 1 August 2025 to 22 August 2025 (both days inclusive). On 21 August 2025, the offeror disposed of an aggregate of 90,000 Shares, and the minimum public float of the Company was restored to 25.00% on 22 August 2025.

Throughout the year ended 31 March 2026, save as disclosed above, the Company was in compliance with the minimum public float requirement under Listing Rules by maintaining its public float at the level of at least 25% of its total issued Shares. As at 31 March 2026, the Company's public float was approximately 34.98% of its total issued Shares.

Shareholding Ownership as at 31 March 2026 *(Note 1)*

Name/category of Shareholders	Number of the Shares held	Approx. % of the Shares in issue *(Note 2)*
(a) Shareholders who are not members of "the public" under the Listing Rules		
Ms. Zeng Jingwen *(Note 3)*	658,770,000	63.96%
Mr. He Xin *(Note 4)*	500,000	0.05%
Mr. Chiu Sui Keung *(Note 5)*	10,500,000	1.02%
(b) Shareholders who are members of "the public" under the Listing Rules		
Others	360,250,000	34.98%
Total	**1,030,020,000**	**100.00%**

Notes:

1. This table is compiled based on the information disclosed in the Disclosure of Interests notices (DI notices) filed under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong (the "**SFO**") and/or other relevant information received by the Company up to the date of this annual report and on the assumption that all such information disclosed in the DI notice or received by the Company is accurate and complete.

2. Percentage may not add up to the total due to rounding.

3. Ms. Zeng Jingwen is an executive Director. 658,720,000 Shares are directly held by Huayu Holdings Limited ("**Huayu Holdings**"), which is a company incorporated in the British Virgin Islands with limited liability and held as to 98% equity interest by Ms. Zeng. For the purpose of part XV of the SFO, Ms. Zeng is deemed to be interested in the Shares held by Huayu Holdings. Additionally, Ms. Zeng holds 50,000 Shares in her personal capacity.

4. Mr. He Xin is an executive Director.

5. Mr. Chiu Sui Keung is formerly an executive Director and resigned on 13 January 2026.

COMPETING INTERESTS

During FY2025/26, none of the Directors nor the controlling shareholders of the Company and their respective associates (as defined under the Listing Rules) 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.

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 and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) 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 were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules, were as follows:

Name of Director	Capacity/Nature	Number of Shares/ underlying Shares held/interested	Percentage of interest
Ms. Zeng Jingwen ("**Ms. Zeng**")	Interest in a controlled corporation	658,720,000 (Note 1) (Long position)	63.95%
	Beneficial owner	1,000,000 (Note 2) (Long position)	0.10%
Mr. He Xin	Beneficial owner	10,000,000 (Note 3) (Long position)	0.97%

Notes:

(1) These Shares are held by Huayu Holdings Limited ("**Huayu Holdings**"), which is a limited liability company incorporated in the British Virgin Islands and directly owned as to 98% by Ms. Zeng. Ms. Zeng is deemed to be interested in all the Shares held by Huayu Holdings for the purpose of Part XV of the SFO.

(2) These Shares comprise 50,000 Shares held, 50,000 share awards not yet vested and 900,000 share options (out of which, 450,000 share options are vested and 450,000 are unvested) granted under the 2025 Share Scheme.

(3) These Shares comprise 500,000 Shares held, 500,000 share awards not yet vested and 9,000,000 share options (out of which, 4,500,000 share options are vested and 4,500,000 are unvested) granted under the 2025 Share Scheme.

Save as disclosed above, as at 31 March 2026, none of the Directors nor chief executive of the Company has registered an interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) 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 were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

So far as the Directors are aware, as at 31 March 2026, the following persons (not being Directors or chief executive of the Company) have or are deemed or taken to have an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under section 336 of the SFO:

The Company

Name	Capacity/Nature	Number of Shares held/interested	Percentage of interest
Huayu Holdings (Note)	Beneficial owner	658,720,000	63.95%

Note: Huayu Holdings is owned as to 98% by Ms. Zeng.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than shareholdings disclosed above, at no time during FY2025/26 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 5 September 2025, the Company entered into a placing agreement with Pinestone Securities Limited and Cheer Union Securities Limited (the "**Placing Agents**") pursuant to which the Company had conditionally agreed to place through the Placing Agents, on a best effort basis, a maximum of 150,000,000 placing shares at the placing price of HK$0.617 (which was subsequently revised to HK$0.637) per placing share to not less than six placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules) (the "**Placing**"). For details of the Placing, please refer to the announcements of the Company dated 5 September 2025, 16 September 2025, 25 September 2025 and 14 October 2025.

The Placing was completed on 14 October 2025 and 28,970,000 new Shares were allotted and issued to not less than six placees at the adjusted placing price of HK$0.637. The net proceeds from the Placing amounted to approximately HK$17.87 million, which was/will be applied as follows:

	Intended use of net proceeds (HK$)	Amount of net proceeds utilized as at 31 March 2026 (HK$)	Unutilized net proceeds as at 31 March 2026 (HK$)	Expected timeline for use of unutilized net proceeds (HK$)
Developing user-side industrial and commercial energy storage power station operations and upgrading industries in new construction industrial parks	12,600,000	11,779,000	821,000	June 2026 *(Note)*
Replenishing the Group's general working capital	5,270,000	5,270,000	–	–
	17,870,000	17,049,000	821,000	

Note: As disclosed in the Company's announcement dated 25 June 2026 in relation to the 2026 Placing (as defined below), HK$12.60 million out of the net proceeds from the Placing has been fully deployed for the development of user-side industrial and commercial energy storage power station operations and the industrial upgrading of newly constructed industrial parks by the date of the said announcement.

MAJOR CUSTOMERS AND SUPPLIERS

During FY2025/26, the Group's five largest customers in aggregate and the single largest customer accounted for approximately 77.2% (FY2024/25: approximately 90.6%) and approximately 19.8% (FY2024/25: approximately 45.5%) of the Group's total revenue respectively.

During FY2025/26, the Group's five largest suppliers in aggregate and the single largest supplier accounted for approximately 75.9% (FY2024/25: approximately 12.1%) and approximately 21.2% (FY2024/25: approximately 5.1%) of the Group's total purchases respectively.

To the best of the knowledge of the Directors, save as disclosed in this annual report, none of the Directors, their respective close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in these major customers or suppliers.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during FY2025/26.

PERMITTED INDEMNITY PROVISION

Every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities secured or sustained by him as a director in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted. Such permitted indemnity provision is in force during the year ended 31 March 2026 and at the date of this annual report.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into during FY2025/26 or subsisted at the end of the reporting period.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 31 to 44 of this annual report.

INDEPENDENT AUDITORS

The Group's consolidated financial statements for the year ended 31 March 2026 have been audited by HLB Hodgson Impey Cheng Limited ("**HLB**"). HLB will retire and, be eligible, will offer themselves for re appointment at the forthcoming AGM. A resolution for the re-appointment of HLB as the auditor of the Company will be proposed at the forthcoming annual general meeting.

EVENTS AFTER THE REPORTING PERIOD

Discloseable Transactions – Investment in New Energy Joint Venture and Partnership

Subsequent to the end of the reporting period and as part of the Group's expansion into the new energy sector:

1. Formation of a Joint Venture Subsidiary in Shenzhen

On 16 April 2026, Shenzhen Huayuan Hongda Technology Co., Ltd. ("**Huayuan Hongda**"), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement with Ms. Wang Yeping ("**Ms. Wang**"), an independent third party, in relation to the formation of Shenzhen Hengchenyu Intelligent Technology Co., Ltd.* (深圳恒宸宇智能科技有限公司) (the "**JV Company**") in Shenzhen, the PRC.

The JV Company has a registered capital of RMB10,000,000, of which Huayuan Hongda contributed RMB8,000,000 (80%) and Ms. Wang contributed RMB2,000,000 (20%). The JV Company has become a subsidiary of the Company upon its establishment and its financial results will be consolidated into the Group's accounts.

The JV Company is intended to serve as a platform for investments and project initiation in the energy storage industry chain and industrial collaboration ecosystem in the PRC.

2. Investment in New Energy Partnership

On 16 May 2026, the JV Company entered into a partnership agreement (the "**Partnership Agreement**") with various parties in the PRC for the establishment of Guangzhou Xindong Changqing Investment Partnership (Limited Partnership) (廣州芯動長擎投資合夥企業（有限合夥）) (the "**Partnership**").

Under the Partnership Agreement, the JV Company subscribed for RMB10,000,000 (approximately HK$11,500,000) of the total RMB35,600,000 capital of the Partnership as a limited partner (holding 28.09% of the total contribution). The Partnership will invest in new energy projects, with its daily operations managed by Guangdong Xindong Energy Co., Ltd. (廣東芯動能源有限公司) as executive partner. The Partnership is accounted for as a non-consolidated investment in the Group's financial statements.

The above transactions each constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and were subject to announcement and reporting requirements, but not to shareholder approval or circular requirements. For details, please refer to the announcements of the Company dated 16 April 2026, 18 May 2026 and 3 June 2026.

Placing of New Shares under General Mandate

On 25 June 2026, the Company entered into a placing agreement with Pinestone Securities Limited (the "**Placing Agent**") whereby the Placing Agent agreed to act as the placing agent of the Company for the purpose of procuring, on a best effort basis, the placing of a maximum of 200,000,000 Shares at the placing price of HK$0.5456 per Share (the "**2026 Placing**"). Completion of the 2026 Placing took place on 21 July 2026. For details of the 2026 Placing, please refer to the announcements of the Company dated 25 June 2026 and 21 July 2026.

Save as disclosed above, there was no significant event affecting the Company nor any of its subsidiaries after 31 March 2026 and up to publication date of this annual report.

On behalf of the Board
He Xin
Chairman, Chief Executive Officer and Executive Director

The Board hereby presents this corporate governance report in the Group's annual report for FY2025/26.

CORPORATE GOVERNANCE PRACTICES

The Company and the Board are devoted to achieve and maintain high standards of corporate governance, as the Board believes that good and effective corporate governance practices are fundamental to obtain and maintain the trust and safeguarding interest of the shareholders and other stakeholders of the Company. The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Listing Rules.

To the best knowledge of the Board, except for the deviation from the code provision C.2.1 of the CG Code, the Company has complied with the code provisions in the CG Code throughout FY2025/26 and up to the publication date of this annual report.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. From 1 April 2025 to 11 July 2025, Mr. Wang Jianfeng ("**Mr. Wang**") assumed the dual role as the chairman of the Board and the chief executive officer of the Company. Since 11 July 2025, Mr. He Xin ("**Mr. He**") has assumed the dual role as the chairman of the Board and the chief executive officer of the Company. However, the Board believes that with the support of the management, vesting the roles of both chairman of the Board and chief executive officer on Mr. Wang or Mr. He can facilitate the execution of the Group's business strategies and provide a strong and consistent leadership to improve the Company's efficiency in decision-making. The Board considers that appointment of Mr. Wang as the chairman of the Board and the chief executive officer of the Company since the commencement of FY2025/2026 until 11 July 2025, and subsequently the appointment of Mr. He as the chairman of the Board and the chief executive officer of the Company since 11 July 2025, not impair the balance of power as all major decisions are made in consultation with members of the Board. In addition, under the supervision by the Board which currently consists of four executive Directors and three independent non-executive Directors, the interests of the Shareholders will be adequately and fairly represented. Therefore, the Board considers the deviation from the code provision C.2.1 of the CG Code is appropriate under such circumstances. However, the Board will periodically review the effectiveness of this arrangement and consider separating the roles of chairman of the Board and chief executive officer of the Company when it thinks appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. The Company has also set guidelines, at least as strict as the Model Code, on transactions of the Company's securities for relevant employees who are likely to be in possession of unpublished inside information of the Company.

Having made specific enquiry with all the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code during FY2025/26 and up to the date of this annual report.

BOARD COMPOSITION

The Board currently comprises four executive Directors and three independent non-executive Directors and the Board is accountable to shareholders. The management and control of the business of the Company is vested in its Board. It is the duty of the Board to create value to the shareholders of the Company.

Executive Directors:
Mr. He Xin *(Chairman and Chief Executive Officer) (appointed on 11 July 2025)*
Mr. Wang Jianfeng *(Chairman and Chief Executive Officer)*
(resigned as Chairman and Chief Executive Officer on 11 July 2025 and resigned as executive Director on 31 July 2025)
Ms. Zeng Jingwen *(appointed on 11 July 2025)*
Mr. Chiu Sui Keung *(Vice Chairman) (appointed on 11 July 2025 and resigned on 13 January 2026)*
Ms. Cai Ruoxi *(appointed on 11 July 2025 and resigned on 2 July 2026)*
Mr. Mu Jiaming *(appointed on 2 July 2026)*
Mr. Zhang Yangguang *(appointed on 2 July 2026)*

Non-executive Directors:
Mr. Cai Huihui *(resigned on 31 July 2025)*
Ms. Liu Jingna *(resigned on 31 July 2025)*
Mr. Ruan Dongdong *(resigned on 31 July 2025)*

Independent Non-executive Directors:
Mr. Wang Wenxing *(resigned on 31 July 2025)*
Ms. Florence Ng *(resigned on 31 July 2025)*
Mr. An Wen Long *(resigned on 31 July 2025)*
Mr. Lam Williamson *(appointed on 11 July 2025)*
Mr. Li, Sheung Him Michael *(appointed on 11 July 2025)*
Mr. Yu Kuai *(appointed on 11 July 2025)*

The biographical information of the Directors is set out in the section headed "Biographical Details of Directors and Senior Management" on pages 12 to 13 of this annual report. The relationships between the members of the Board are also disclosed under the same section.

The current proportion of independent non-executive Director is higher than what is required by Rule 3.10A, 3.10(1) and (2) of the Listing Rules whereby independent non-executive Directors of a listed issuer represent at least one-third of the Board. The three independent non-executive Directors represent more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. With the various experience of the executive Directors and the independent non-executive Directors and the nature of the Group's business, the Board considered that the Directors have a balance of skills and experience for the business of the Group.

Proper insurance coverage in respect of legal actions against the Directors' liability has been arranged by the Company. For details, please refer to the section headed "Permitted Indemnity Provision" in this annual report.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Code provision B.2.2 states that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the executive Directors is appointed under a service contract for a term of three years which is terminable by either party by giving three months' written notice to the other party. Each of the independent non-executive Directors is appointed under a letter of appointment for a term of three years which is terminable by either party by giving one month's written notice to the other party.

In accordance with Article 84(1) of the Articles of Association, at least one-third of the Directors shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. In accordance with Articles 83(3) of the Articles of Association, any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office until the first annual general meeting after his appointment and they shall be eligible for re-election. Accordingly, Mr. Mu Jiaming, Mr. Zhang Yangguang, Mr. Lam Williamson and Mr. Li Sheung Him, Michael will retire from office as Directors by rotation at the AGM and are eligible for re-election. Details of the Directors who will offer themselves for re-election will be set out in the circular relating to the AGM.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

On 11 July 2025, Mr. He Xin, Ms. Zeng Jingwen, Mr. Chiu Sui Keung, Ms. Cai Ruoxi, Mr. Lam Williamson, Mr. Li Sheung Him, Michael and Mr. Yu Kuai were appointed as Directors with effect on the same day. On 2 July 2026, Mr. Mu Jiaming and Mr. Zhang Yangguang were appointed as Directors with effect on the same day. Pursuant to Rule 3.09D of the Listing Rules, each of the Directors obtained legal advice on or prior to their appointment dates and confirmed their understanding of their respective obligations as a Director. Further, the Directors have received a comprehensive, formal and tailored induction on their appointment pursuant to C.1.1 of the CG Code.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board take decisions objectively in the interests of the Company.

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

All Directors have full and timely access to all the information of the Company as well as the services and advice from the senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management with written directions. In the meantime, the management regularly reports back to the Board to enable it to make informed assessment and obtains prior approval from the Board before making decisions or entering into any commitments on the Company's behalf.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors confirmed that they had complied with code provision C.1.4 of the CG Code during FY2025/26 and up to the date of this annual report, that all Directors had participated in continuous professional development to develop and refresh their knowledge and skills. The Directors are required to provide the Company with details of the training's records. Based on those training's records, all the Directors received training in the form of reading and/or online studying during FY2025/26 including reading relevant news alerts, newspapers, journals, magazines and relevant publications relating to the latest development of the Listing Rules, other applicable regulatory requirements and directors' duties and responsibilities. All Directors had attended the in-house training. The training covered topics which include, the disclosure obligations in Hong Kong, the requirements of discloseable transactions and connected transactions etc. under the Listing Rules.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference with sufficient resources to perform its duties. The terms of reference of the Board committees are posted on the Company's website (www.kshgl.com) and the Stock Exchange's website (www.hkexnews.hk) and are available to shareholders upon request.

The Board has established mechanism and has reviewed the same annually to ensure independent views and input are available to the Board, and with such strong independent element on the Board, independent judgment can be exercised in the Board's overall decision making process. The Board has reviewed the implementation and effectiveness of the Board independence mechanism for the year ended 31 March 2026 and considered it to be effective.

The majority of the members of each Board committee are independent non-executive Directors and the list of the chairman and members of each Board committee is set out under the section headed "Corporate Information" in this annual report.

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The Company intends to hold Board meetings regularly and at least four times a year. Notices of not less than fourteen days will be given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

During FY2025/26, there were four Board meetings held, at which the Directors approved, among other things, the annual report of the Group for FY2024/25.

At least three days of prior notice convening the Board meeting was dispatched to the Directors before the Board meeting setting out the matters to be discussed. At the meetings of the Board and/or Board committees, the Directors were provided with the relevant documents to be discussed and approved to enable the Directors to make informed decisions. The company secretary of the Company had been responsible for ensuring the procedures of the Board meeting are observed and keeping minutes for the Board meeting which were sent to the Directors for records and are open for inspection at any reasonable time by any Director on reasonable notice.

Where material conflict of interest arises, a physical Board meeting with the attendance of the independent non-executive Directors will be held and the conflicted Director(s) will abstain from voting on the relevant resolutions.

As at the publication date of this annual report, the members of the Board are Mr. He Xin (Chairman and Chief Executive Officer), Ms. Zeng Jingwen, Mr. Mu Jiaming and Mr. Zhang Yangguang as executive Directors, and Mr. Lam Williamson, Mr. Li Sheung Him, Michael and Mr. Yu Kuai as independent non-executive Directors.

During the year ended 31 March 2026, the Chairman has met with all the independent non-executive Directors without the presence of other Directors pursuant to C.2.7 of the CG Code.

The attendance record of each Director at the Board and Board committee meetings of the Company held during FY2025/26 is set out in the table below:

	Attendance/Number of Meetings				
Name of Directors	**General Meeting**	**Board Meeting**	**Nomination Committee**	**Remuneration Committee**	**Audit Committee**
Executive Directors					
Mr. Wang Jianfeng (resigned on 31 July 2025)	0/0	2/2	1/1	N/A	N/A
Mr. He Xin (appointed on 11 July 2025)	1/1	2/2	N/A	N/A	N/A
Ms. Zeng Jingwen (appointed on 11 July 2025)	0/1	2/2	1/1	1/1	N/A
Mr. Chiu Sui Keung (appointed on 11 July 2025 and resigned on 13 January 2026)	1/1	2/2	N/A	N/A	N/A
Ms. Cai Ruoxi (appointed on 11 July 2025)	1/1	2/2	N/A	N/A	N/A
Non-executive Directors					
Mr. Cai Huihui (resigned on 31 July 2025)	0/0	2/2	N/A	0/0	2/2
Ms. Liu Jingna (resigned on 31 July 2025)	0/0	2/2	N/A	N/A	N/A
Mr. Ruan Dongdong (resigned on 31 July 2025)	0/0	2/2	N/A	N/A	N/A
Independent non-executive Directors					
Mr. Wang Wenxing (resigned on 31 July 2025)	0/0	2/2	1/1	N/A	2/2
Mr. Florence Ng (resigned on 31 July 2025)	0/0	2/2	N/A	0/0	2/2
Mr. An Wen Long (resigned on 31 July 2025)	0/0	2/2	1/1	0/0	N/A
Mr. Lam Williamson (appointed on 11 July 2025)	1/1	2/2	1/1	N/A	1/1
Mr. Li, Sheung Him Michael (appointed on 11 July 2025)	1/1	2/2	1/1	1/1	1/1
Mr. Yu Kuai (appointed on 11 July 2025)	1/1	2/2	N/A	1/1	1/1

AUDIT COMMITTEE

The Audit Committee was established on 8 June 2019. The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. Currently, the Audit Committee consists of three members, namely Mr. Li, Sheung Him Michael, Mr. Yu Kuai and Mr. Lam Williamson. Mr. Lam Williamson, our independent non-executive Director who possesses the appropriate professional qualifications, is the chairman of the Audit Committee.

The primary duties of the Audit Committee are to review, supervise, and assist our Board in providing an independent view of, our financial reporting processes, and internal control and risk management systems, as well as to oversee the audit process, review our annual and interim financial statements, provide advice and comments to the Board on matters related to corporate governance, and perform other duties and responsibilities as assigned by our Board from time to time.

The Audit Committee has approved and reviewed with the external auditor of the Company and the management of the Group, the consolidated financial results of the Group for FY2025/26 and agreed to the accounting principles and policies adopted by the Group.

During FY2025/26, the Audit Committee held three meetings. The members of Audit Committee reviewed and discussed with the external auditors of the Company on the Group's audited consolidated financial statements for FY2024/25 and the unaudited interim consolidated financial statements for the six months ended 30 September 2025. They were of the opinion that these statements had complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made. Additional meeting may also be held by the Audit Committee from time to time to discuss special projects or other issues which it considers necessary. The external auditors of the Group may request a meeting of the Audit Committee to be convened if they consider that is necessary.

REMUNERATION COMMITTEE

We have established the Remuneration committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. Currently, the Remuneration Committee consists of three members, namely Ms. Zeng Jingwen, Mr. Li, Sheung Him Michael and Mr. Yu Kuai. Mr. Yu Kuai, our independent non-executive Director, is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee are to (i) develop and review the policies and the structure of the remuneration for our Directors; (ii) evaluate the performance of, and make recommendations on the remuneration packages of all Directors and senior management; and (iii) evaluate and make recommendations on employee benefit arrangements.

During FY2025/26, the Remuneration Committee held one meeting to review the Share Option Scheme, the remuneration of all Directors and senior management individually regarding their relevant roles, duties, responsibilities, experience and performance, and market rate.

NOMINATION COMMITTEE

We have established the Nomination Committee with written terms of reference in compliance with paragraph B.3 of the CG Code. Currently, the nomination committee consists of three members, namely Ms. Zeng Jingwen, Mr. Lam Williamson and Mr. Li, Sheung Him Michael. Mr. Li, Sheung Him Michael, our independent non-executive Director, is the chairman of the Nomination Committee.

The primary functions of the Nomination Committee are to make recommendations to our Board in relation to the appointment and removal of Directors, and on matters of succession planning.

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the board diversity policy (the "**Board Diversity Policy**"), including but not limited to gender, age, length of service, cultural and education background and professional experience. The Board contains individuals who have diverse cultural and educational background, professional experience, skills, knowledge and industry experience. On the other hand, the independent non-executive Directors also contribute to ensuring that the interests of all Shareholders are taken into account by the Board and that relevant issues are subject to objective consideration by the Board. The biographical details of the Directors are set out pages 12 to 13 of this annual report.

The Board comprised members of both genders. In implementing the Board Diversity Policy, the Board aims to have a balanced composition and all Board appointments will be based on meritocracy and candidates will be considered against appropriate criteria, having due regard for the benefit of diversity on the Board. The Board currently consists of seven members, including one female Director, accounting for 14.3% of the Board members. Directors are aged from around 29 to 51 years old. The Board targets to maintain at least the current level of female representation and the Nomination Committee shall review the Board Diversity Policy from time to time to ensure its continued effectiveness.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During FY2025/26, the Nomination Committee held one meeting to review the Board Diversity Policy, the structure, size and composition of the Board and the independence of the independent non-executive Directors.

DIRECTOR NOMINATION POLICY

The Company has adopted a director nomination policy, pursuant to which in evaluating and selecting any candidate for directorship, the following criteria should be considered:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy of the Company that are relevant to the Company's business and corporate strategy.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board to have independent Directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions the candidate can bring to the Board and/or the Company, as well as the Company's development strategies, future goals and growth, in terms of qualifications, skills, experience, independence, gender and race diversity.
- The candidate's role and position as a member of a diverse Board.
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/ or Board committee(s) of the Company.
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for the nomination of the Directors and succession planning.

As regards selection and appointment of new Director:

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

- The Nomination Committee should then recommend that the Board appoint the most appropriate candidate for directorship, as applicable.

- For any person that is nominated by a shareholder for election as a director at a general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendations to the Shareholders with respect to the proposed election of Directors at a general meeting.

As regards re-election of Director at general meeting:

- The Nomination Committee and/or the Board should review the overall contribution and service to the Company of each Director and his level of participation and performance on the Board.

- The Nomination Committee and/or the Board should also review and determine whether the Director continues to meet the criteria as set out above.

- The Nomination Committee and/or the Board should then make recommendations to shareholders in respect of the proposed re-election or replacement of the Directors at a general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at a general meeting, the relevant information of the candidate will be disclosed in the circular to the Shareholders and/or the explanatory statement that accompanies the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

BOARD DIVERSITY POLICY

The Board recognises and embraces the benefits of having a diverse board with a view to enhancing its effectiveness and achieving a high standard of corporate governance. Therefore, the Company has adopted a Board Diversity Policy on 8 June 2019 to ensure that candidates to the Board will be selected based on a range of diversity perspectives, including but not limited to gender, age, length of service, cultural and education background and professional experience. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to the Board.

The Nomination Committee is responsible for implementation, monitoring and periodic review of the Board Diversity Policy to ensure its effectiveness and application.

In particular, the Company values gender diversity and will continue to take steps to promote gender diversity at all levels of the Company, including but without limitation to the Board. As at 31 March 2026, the percentage of male and female in the workforce (including the senior management) is approximately 60% and 40%, respectively. In recognising the importance of gender diversity, the Company is committed to providing career development opportunities for female staff. Further, the Board consists one female member, the Board intends to maintain at least the current level of female representation.

WORKFORCE DIVERSITY POLICY

The Group values workforce diversity, including at senior management level. It is committed to creating a fair, inclusive and supportive workplace where all employees are treated with respect and given equal opportunities, regardless of gender, age, family status, race, ethnicity, religion, sexual orientation, gender identity, disability or any other legally protected characteristic.

All employment decisions – including recruitment, pay, development and promotion – are based on merit, taking into account qualifications, experience, skills, potential and performance. The Group has zero tolerance for discrimination, harassment or workplace violence.

The Group places particular focus on gender diversity at all levels, including senior management. The Human Resources Department monitors diversity data regularly and reports annually to the executive Directors. The executive Directors review the workforce diversity profile and may set measurable targets, where appropriate, to improve gender diversity.

The Group will continue to review its diversity practices and implement improvements as needed. The Workforce Diversity Policy is reviewed periodically.

CORPORATE GOVERNANCE FUNCTIONS

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

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for FY2025/26.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 45 to 50 of this annual report.

AUDITOR'S REMUNERATION

The remuneration paid/payable to the Company's external auditors, HLB, and entities under common control, ownership or management with HLB, in respect of services provided for FY2025/26 is set out below:

	Nature of Services Fees (HK$)
Audit services	820,000
Non-audit services	300,000
Total	**1,120,000**

The non-audit service provided during FY2025/26 related to assisting in reviewing the disclosure of the Group's interim financial statements.

The Audit Committee has reviewed the nature and scope of the non-audit services and considered that such services did not impair the independence or objectivity of HLB. The Board concurs with the view of the Audit Committee.

Save as disclosed above, no other significant non-audit services were provided by HLB or any entity under common control, ownership or management with HLB during FY2025/26.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for evaluating and determining the nature and extent of the risks to take in achieving the Group's strategic objectives. The Group has not established a separate internal audit department; however, procedures are in place to provide adequate resources and qualified personnel to carry out the duties of the internal audit function, including annual review of the effectiveness of risk management and internal control. The Group has engaged an external independent consultant to conduct a review on the internal control and risk management systems of the Group during FY2025/26 and to report their findings to the Audit Committee and the Board. The scope of review for FY2025/26 covered overall management control, risk assessment and management, control procedures for revenue, purchasing, property, plant and equipment and human resources management.

Based on review and procedures conducted, the Board considers that the Group's risk management and internal control systems are effective and adequate. However, the risk management and internal control systems of the Group are designed to manage rather than to eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

COMPANY SECRETARY

The company secretary of the Company is Mr. Leung Pak Keung ("**Mr. Leung**"), who was appointed on 7 August 2025 and is an external service provider engaged by the Company and Mr. Zhang Yangguang, an executive Director and the chief financial officer of the Company, will be the key contact person with whom Mr. Leung can contact. His biographical details are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report.

All Directors shall have access to the advice and services of the company secretary to ensure that Board procedures, and all applicable law, rules and regulations, are followed.

Mr. Leung has confirmed that he had attained no less than 15 hours of relevant professional training during FY2025/26 as required by Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

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

CONVENING AN EXTRAORDINARY GENERAL MEETING

Pursuant to article 58 of the Articles of Association, 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 carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

There are no provisions in the Articles of Association or the Companies Law of the Cayman Islands for putting forward proposals of new resolutions by the Shareholders at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph to consider the business specified in the requisition.

PUTTING FORWARD ENQUIRIES TO THE BOARD

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

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

Address: Suite 1306, 13th Floor, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong

Email: info@kshgl.com

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with shareholders and in particular, through AGMs and other extraordinary general meetings.

During the Reporting Period, the Company has adopted a Shareholders' communication policy, which has helped the Company to ensure that the Shareholders will have equal and timely access to the information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company.

At the annual general meeting, Directors (or their delegates as appropriate) and the auditors are available to meet shareholders and answer their enquiries. The Company maintains a website at www.kshgl.com as a communication platform with the shareholders and investors, where the financial information and other relevant information of the Company are available for public access.

The Board considers that the current Shareholder's communication policy is effective and adequate.

DIVIDEND POLICY

In considering the payment of dividends, there shall be a balance between maintaining sufficient capital to grow the Group's business and rewarding the shareholders of the Company. The Board shall take into account the following factors, among other factors:

(a) the Group's operation and financial performance, profitability, business development, prospects, capital requirements and cash flow;

(b) the amount of distributable reserves of the Company;

(c) the expected capital requirements and future expansion plans of the Group;

(d) the economic outlook, the general business and regulatory conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group;

(e) the statutory and regulatory restrictions;

(f) the interests of the shareholders of the Company; and

(g) other factors that the Board deems relevant.

During the Reporting Period, the Board resolved not to declare any dividend. The decision was made after careful consideration of the Group's financial performance, cash flow position, capital requirements and future business development needs, and was in accordance with the Dividend Policy.

In order to enhance long-term shareholder value, the Group will continue to focus on strengthening its core business, improving operational efficiency, enhancing profitability and cash flow generation, exercising prudent capital management and optimising resource allocation. The Board will review the Dividend Policy from time to time and will consider dividend distribution as and when appropriate, having regard to the Group's financial performance and funding requirements.

CONSTITUTIONAL DOCUMENTS

Save for the adoption of third amended and restated memorandum and articles of association of the Company on 26 September 2025, there are no significant changes in the Company's constitutional documents during FY2025/26. For details of the amendments to the memorandum and articles of association of the Company, please refer to the Company's circular dated 28 August 2025.

The latest version of the memorandum and articles of association of the Company is available on the websites of the Stock Exchange and the Company.

ANTI-CORRUPTION AND WHISTLE-BLOWING MECHANISM

The Company has adopted an anti-fraud policy and whistle-blowing policy and procedure for the Group at all levels. For details, please refer to the section headed "B.7 Anti-corruption" in the Environmental, Social and Governance Report 2026.

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE MEMBERS OF KING'S STONE HOLDINGS GROUP LIMITED
(金石控股集團有限公司)
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of King's Stone Holdings Group Limited (the "**Company**") and its subsidiaries (together the "**Group**") set out on pages 51 to 125, 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 as 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**") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditors' 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 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 year. 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 (continued)

Key audit matter	How our audit addressed the key audit matter
Accounting for construction contracts	
Refer to Notes 5, 6, 8 and 21 to the consolidated financial statements We identified recognition of revenue and costs from construction contracts and contract assets as a key audit matter as significant management's estimations and judgements are involved in the determination of the outcome of construction contracts and the progress towards completion of construction works.	Our procedures included but not limited to: • Understanding and evaluating the Group's processes controls over contract revenue and contract costs recognition and budget estimation; • Testing the calculation of revenue and profits recognised for the current year from construction contracts; • Agreeing the progress towards complete satisfaction of the performance obligation to the customers' latest certificates; • Discussing with management and the related project teams about the progress of major projects, and the estimates and assumptions adopted in the estimation of contract revenue and forecast of contract costs, including historical outcomes of similar contracts, forecasted costs to completion and assessment of potential liquidated damages for major contracts; and • Testing the supporting documents of the estimated revenue and budgets on a sample basis, which include sub-contracting contracts, material purchase contracts and price quotations, etc.

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Expected credit loss of trade receivables and contract assets	
Refer to Notes 5, 6, 21, 22 and 38 to the consolidated financial statements We identified the impairment of trade receivables and contract assets under the expected credit losses model as a key audit matter due to the use of significant management judgements and estimates. The Group has applied the simplified approach in calculating the expected credit loss for trade receivables and contract assets.	Our procedures included but not limited to: • Understanding the key controls that the Group has implemented to manage and monitor its credit risk and evaluating management's assessment process for allowance for expected credit losses; • Checking, on a sample basis, the ageing profile of the receivables as at 31 March 2026 to the underlying financial records; • Inquiring of management for the status of each of the material trade receivables and contract assets past due as at year end and corroborating explanations from management with supporting evidence; and • Assessing the appropriateness of the expected credit losses provisioning methodology and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the management discussion and analysis (but does not include the consolidated financial statements and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the corporate information, chairman's statement, biographical details of directors and senior management, directors' report, corporate governance report and five-year financial summary, which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITORS' 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 auditors' report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, 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 auditors' 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 director on the audit resulting in this independent auditors' report is Mr. Lo Kin Kei (practising certificate number: P06413).

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hong Kong, 24 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
CONTINUING OPERATIONS			
Revenue	8	**556,314**	173,388
Cost of services		**(530,352)**	(220,525)
Gross profit/(loss)		**25,962**	(47,137)
Other income and gains	8	**408**	730
Selling expenses		**(480)**	–
Administrative and other operating expenses		**(31,198)**	(48,833)
Other losses	10	**(5,185)**	(4,283)
Finance costs	11	**(146)**	(12)
Loss before income tax	9	**(10,639)**	(99,535)
Income tax (expenses)/credit	14	**(3,991)**	156
Loss for the year from continuing operations		**(14,630)**	(99,379)
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	15	**–**	(2,694)
LOSS FOR THE YEAR		**(14,630)**	(102,073)
OTHER COMPREHENSIVE LOSS			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(80)**	(29)
Reclassification of cumulative translation reserve upon disposal of foreign operations		**–**	203
		(80)	174
Total comprehensive loss attributable to owners of the parent		**(14,710)**	(101,899)
LOSS PER SHARE			
From continuing and discontinued operations	17		
Basic and diluted		**HK(1.44) cents**	HK(10.2) cents
From continuing operations	17		
Basic and diluted		**HK(1.44) cents**	HK(9.9) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	18	**3,077**	196
Deposits	23	**513**	53
Total non-current assets		**3,590**	249
CURRENT ASSETS			
Contract assets	21	**91,919**	86,814
Trade receivables	22	**259,537**	5,920
Tax recoverable		**–**	1,976
Prepayments, other receivables and other assets	23	**29,765**	41,762
Inventories	24	**154,464**	–
Cash and cash equivalents	25	**24,355**	9,673
Total current assets		**560,040**	146,145
CURRENT LIABILITIES			
Contract liabilities	21	**22,164**	–
Trade payables	26	**400,685**	25,818
Other payables and accruals	27	**18,972**	14,980
Income tax payable		**3,687**	–
Lease liabilities	20(b)	**879**	–
Total current liabilities		**446,387**	40,798
NET CURRENT ASSETS		**113,653**	105,347
TOTAL ASSETS LESS CURRENT LIABILITIES		**117,243**	105,596

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities	28	**336**	32
Lease liabilities	20(b)	**1,743**	–
Total non-current liabilities		**2,079**	32
NET ASSETS		**115,164**	105,564
EQUITY			
Equity attributable to owners of the parent			
Share capital	29	**10,300**	10,000
Reserves	31	**104,864**	95,564
TOTAL EQUITY		**115,164**	105,564

Approved by the Board of Directors on 24 June 2026 and are signed on its behalf by:

He Xin	**Zeng Jingwen**
Director	*Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Attributable to owners of the parent							
	Share capital	Share premium	Merger reserve	Share-based payment reserve	Contributed surplus	Translation reserve	Retained profits/ (accumulated losses)	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	Note 29		Note 31(b)	Note 31(c)	Note 31(d)	Note 31(e)		
At 1 April 2024	10,000	99,157*	2,000*	–*	–*	(174)*	72,860*	183,843
Loss for the year	–	–	–	–	–	–	(102,073)	(102,073)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(29)	–	(29)
Reclassification of cumulative translation reserve upon disposal and deregistration of foreign operations	–	–	–	–	–	203	–	203
Total comprehensive income/(loss) for the year	–	–	–	–	–	174	(102,073)	(101,899)
Deemed contribution from a shareholders from extinguished loans	–	–	–	–	23,620	–	–	23,620
At 31 March 2025 and 1 April 2025	10,000	99,157*	2,000*	–*	23,620*	–*	(29,213)*	105,564
Loss for the year	–	–	–	–	–	–	(14,630)	(14,630)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(80)	–	(80)
Total comprehensive loss for the year	–	–	–	–	–	(80)	(14,630)	(14,710)
Issue of shares upon placing	290	18,164	–	–	–	–	–	18,454
Transaction costs attributable to issue of shares under placing	–	(186)	–	–	–	–	–	(186)
Recognition of equity-settled share-based payments (Note 30)	–	–	–	6,042	–	–	–	6,042
Transfer of share awards (Notes 29(c) and (d))	10	830	–	(840)	–	–	–	–
At 31 March 2026	10,300	117,965*	2,000*	5,202*	23,620*	(80)*	(43,843)*	115,164

* These reserve accounts comprise the consolidated reserves of approximately HK$104,864,000 (2025: approximately HK$95,564,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax			
– From continuing operations		(10,639)	(99,535)
– From discontinued operation		–	(2,694)
Adjustments for:			
Depreciation of owned assets		183	1,867
Depreciation of right-of-use assets		660	546
Gain on disposal of items of property, plant and equipment		–	(144)
Gain on termination of lease		–	(4)
Impairment loss of trade receivables		4,515	–
Impairment loss of contract assets		670	2,617
Equity-settled share-based payment		6,042	–
Finance costs		146	40
Interest income		(18)	(87)
Net loss on disposal of subsidiaries		–	1,649
Operating profit/(loss) before working capital changes		1,559	(95,745)
(Increase)/decrease in contract assets		(5,775)	7,626
(Increase)/decrease in trade receivables		(256,317)	17,997
Decrease/(increase) in prepayments, other receivables and other assets		11,693	(29,007)
Increase in inventories		(153,839)	–
Decrease in trust bank balances held on behalf of customers		–	23,953
Increase/(decrease) in trade payables		372,620	(17,579)
Increase/(decrease) in other payables and accruals		3,963	(2,631)
Increase in contract liabilities		22,044	–
Cash used in operations		(4,052)	(95,386)
Interest received		18	87
Income tax refunded		1,976	–
Income tax paid		–	(494)
Net cash used in operating activities		(2,058)	(95,793)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	18	(703)	(267)
Proceeds from disposal of property, plant and equipment		–	5,879
Net cash outflow from disposal of subsidiaries, net of cash disposal		–	(3,227)
Repayment from the ultimate holding company		–	390
Net cash (used in)/generated from investing activities		(703)	2,775
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid for lease liabilities		(146)	(40)
Principal portion of lease payments		(402)	(560)
Proceeds from issue of shares		18,454	–
Transaction costs on issue of shares		(186)	–
Advances from the immediate holding company		–	5,152
Net cash generated from financing activities		17,720	4,552
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		14,959	(88,466)
Cash and cash equivalents at beginning of year		9,673	98,139
Effect of foreign exchange rate changes, net		(277)	–
CASH AND CASH EQUIVALENTS AT END OF YEAR	25	24,355	9,673

1. CORPORATE AND GROUP INFORMATION

King's Stone Holdings Group Limited (the "**Company**") is an exempted company incorporated in the Cayman Islands on 24 July 2018 with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at Suite 1306, 13th Floor, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in (i) providing construction services, including traditional formwork using timber and plywood, system formwork using aluminium and steel, and ancillary works such as concrete works and reinforcement works for the public and private sectors in Hong Kong; and (ii) deepening the integration intelligent, digital, and green technologies – particularly in the fields of electronic components, energy management, and smart infrastructure in Hong Kong and the People's Republic of China (the "**PRC**").

In the opinion of the directors of the Company, the immediate and ultimate holding company of the Company is Huayu Holdings Limited, which is incorporated in the British Virgin Islands ("**BVI**") with limited liability and owned by Ms. Zeng Jingwen ("**Ms. Zeng**"), the controlling shareholder of the Company.

1. CORPORATE AND GROUP INFORMATION (continued)

Information about principal subsidiary

Particulars of the Company's principal subsidiary at 31 March 2026 and 2025 are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			2026	2025	
Hop Fat Yuk Ying Engineering Limited	Hong Kong	HK$2,000,000	**100 (indirect)**	100 (indirect)	Construction services
Heng Yu CPN Technology Company Limited	Hong Kong	HK$1	**100 (direct)**	–	Intelligent storage business
Forest Honor Limited	Hong Kong	HK$1	**100 (direct)**	100 (direct)	Investment holding
Ming Hui Management Company Limited	Hong Kong	HK$1	**100 (direct)**	–	Intelligent storage business
Zhonghui Intelligence Research Institute Company Limited	Hong Kong	HK$1	**100 (direct)**	–	Intelligent storage business
Huayuan Intelligent Investment Management Company Limited	Hong Kong	HK$1	**100 (direct)**	–	Intelligent storage business
深圳市華遠宏達科技有限公司 Shenzhen Huayuan Hongda Technology Co., Ltd.* ("**Shenzhen Huayuan**")	PRC	USD3,000,000	**100 (indirect)**	–	Intelligent storage business
深圳市中慧宏達科技有限公司 Shenzhen Zhonghui Hongda Technology Co., Ltd.*	PRC	USD2,000,000	**100 (indirect)**	–	Intelligent storage business

* English translation of the name of a Chinese company is provided for identification purpose only.

None of the subsidiaries had issued any debt securities at the end of the year.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies below.

The preparation of the consolidated financial statements in accordance with HKFRS Accounting Standards as requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 6. The consolidated financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand ("**HK$'000**") except when otherwise indicated.

Basis for consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2026. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2025 for the preparation of the consolidated financial statements:

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 positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

4. ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

4. ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective (continued)

HKFRS 18 Presentation and Disclosure in Financial Statements (continued)

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income.

5. MATERIAL ACCOUNTING POLICY INFORMATION

5.1 Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

5.2 Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.2 Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of. each reporting period.

5.3 Impairment of non-financial assets

Where an indication of impairment exists for other non-financial assets, or when annual impairment testing for intangible asset with indefinite useful economic lives is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/ amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.4 Intangible asset – trading right and licence

Intangible asset acquired separately was initially recognised at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Subsequently, intangible asset with indefinite useful lives was carried at cost less any accumulated impairment losses.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

5.5 Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of key management personnel of the Group or of a parent of the Group; or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.5 Related parties (continued)

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

5.6 Property, plant and equipment and depreciation

Property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimate useful lives and bases used are as follows:

Owned assets	
Furniture, fixtures and office equipment	5 years on the reducing balance basis
Leasehold improvement	5 years on the reducing balance basis
Tools and equipment	5 years on the reducing balance basis
Motor vehicles	5 years on the reducing balance basis
Computer equipment	5 years on the reducing balance basis
Right-of-use assets	
Buildings	Over the lease terms on the straight-line basis

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year/period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.7 Leases

The Group assesses at contract inception whether a contract is, or contain, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis as detailed in the "Property, plant and equipment and depreciation" policy above.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group presents right-of-use assets in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned.

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g. a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.7 Leases (continued)

Group as a lessee (continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of properties (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(d) Lease modification

The Group accounts for a lease modification as a separate lease if:

– the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

– the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand- alone price of the lease component and the aggregate stand-alone price of the non-lease components.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.7 Leases (continued)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of the leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in other income and gains in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

5.8 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on their contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.8 Financial assets (continued)

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held with a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets measured at FVTPL

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss does not includes any dividend or interest earned on the financial assets.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the assets have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, and either (a) the Group has transferred substantially all the risks and rewards of the assets, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.8 Financial assets (continued)

Derecognition of financial assets (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

5.9 Impairment of financial assets

The Group recognised an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.9 Impairment of financial assets (continued)

General approach (continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are no purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its credit risks of trade debtors, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.9 Impairment of financial assets (continued)

Simplified approach (continued)

The Group considers a financial asset to be credit-impaired when:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or being more than 90 days past due;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter into bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties.

The Group recognises an impairment loss or reversal in profit or loss for financial assets at amortised cost with a corresponding adjustment to their carrying amount through a loss allowance account.

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. 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.

5.10 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.10 Financial liabilities (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

5.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

5.12 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks.

5.13 Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in profit or loss.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.14 Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.14 Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the 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 utilized and a deferred tax liability for all taxable temporary differences.

5.15 Government grants

Government grants are recognised at their fair values where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

5.16 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.16 Revenue recognition (continued)

Revenue from contracts with customers (continued)

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Construction services

Revenue from the provision of construction services is recognised over time, using an output method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The output method recognises revenue in accordance with the direct measurements of the value of the services transferred by the Group to the customer with reference to the certified value of work performed to date.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original contract. Claims are accounted for as variable considerations and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable considerations is subsequently resolved. The Group uses the expected value method to estimate the amounts of claims because this method best predicts the amount of variable considerations to which the Group will be entitled.

Intelligent storage business

Revenue from sales of electronic components is recognised when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligations that could affect the customers' acceptance of the products. A delivery occurs when the products have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that consideration is unconditional because only the passage of time is required before the payment is due.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.16 Revenue recognition (continued)

Revenue from contracts with customers (continued)

Commission income

The Group earns commissions from execution of client transactions in the trading securities and listed derivatives. The execution of client transactions also included settlement and clearing services, which are provided together and represent a single performance obligation as the services are not separately identifiable from other promises within the context of the contract. Commissions are recognised at a point in time on trade date when the performance obligation is satisfied, that is when the customer obtained the rights to the underlying financial instruments.

5.17 Other income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

5.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories include electronic components which are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.19 Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

5.20 Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

A contract asset and a contract liability relating to the same contract are accounted forward presented on a net basis.

5.21 Contract costs

Other than the costs which are capitalised as property, plant and equipment, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised. Other contract costs are expensed as incurred.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.22 Other employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measure on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

5.23 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.24 Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.25 Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

5.26 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

Where an operation is classified as discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

6. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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, are described below.

Accounting for construction contracts

The Group's revenue from construction contracts are recognised over time using the output method and is measured in accordance with the progress towards complete satisfaction of the performance obligations. This involves the use of management judgements and estimation uncertainty, including estimating the progress towards completion of the services, scope of deliveries and services required, total contract costs incurred, forecasting the costs to complete a contract, valuing contract variations, claims and potential liquidated damages and estimating the provision for onerous contracts. Budgeted contract costs are prepared by the management on the basis of contract concluded with and/or quotations provided by the major sub-contractors, suppliers or vendors involved from time to time and the experience of the management. The profitability of each project is dependent on the estimation of the total outcome of the contract, as well as the work done to date. The Group reviews and revises the estimates of contract revenue, contract costs to completion, variation orders and contract claims prepared for each construction contract as the contract progresses. Significant judgement is required in estimating the contract revenue, contract costs to completion, variation works and contract claims which may have an impact in terms of progress towards complete satisfaction of the performance obligations and recognition of profit. Actual outcomes of total contract revenue and contract costs may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

Impairment assessment of trade receivables and contract assets

The policy for impairment of trade receivables and contract assets of the Group is based on the evaluation of collectability and ageing analysis of trade receivables and contract assets as well as other quantitative and qualitative information and on management's judgement and assessment of the forward-looking information. Significant judgement and estimates are required in assessing the ultimate realisation of these assets, based on the current creditworthiness, the past collection history and subsequent settlements of each customer. If the financial conditions of customers of the Group and the future economic conditions were to deteriorate, resulting in an impairment of their ability to make payments, additional provisions may be required. Further details are disclosed in notes 21, 22 and 38 to the consolidated financial statements.

7. OPERATING SEGMENT INFORMATION

The Group's operating segments are determined based on information reported to the board of directors of the Company, being the chief operating decision-maker (the "**CODM**"), for the purposes of resource allocation and assessment of segment performance.

Specifically, the Group's reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

(i) Construction services – providing construction services, including traditional formwork using timber and plywood, system formwork using aluminum and steel, and ancillary works such as concrete works and reinforcement works for the public and private sectors in Hong Kong and;

(ii) Intelligent storage business – deepening the integration of intelligent, digital, and green technologies – particularly in the fields of electronic components, energy management, and smart infrastructure.

The Group has introduced an additional segment of intelligent storage business during the year ended 31 March 2026.

During the year ended 31 March 2025, the Group identified its dealing and broking service as discontinued operation upon disposal of Titan Hwaks Limited and its subsidiary (collectively named "**Titan Group**") in December 2024, which is further disclosed in notes 15 and 36(a).

Segment information

Segment revenue and results

The following is an analysis of the Group's revenue and result by operating segments:

For the year ended 31 March 2026

	Construction services HK$'000	Intelligent storage business HK$'000	Total HK$'000
REVENUE			
Revenue from external customers	278,817	277,497	556,314
RESULT			
Segment (loss)/profit	(20,913)	24,099	3,186
Other income and net gains			3
Unallocated corporate expenses			(13,682)
Finance costs			(146)
Loss before income tax			(10,639)

7. OPERATING SEGMENT INFORMATION (continued)

Segment information (continued)

Segment revenue and results (continued)

For the year ended 31 March 2025

	Construction services HK$'000	Intelligent storage business HK$'000	Total HK$'000
REVENUE			
Revenue from external customers	173,388	–	173,388
RESULT			
Segment loss	(88,967)	–	(88,967)
Other income and net gains			263
Unallocated corporate expenses			(10,819)
Finance costs			(12)
Loss before income tax			(99,535)

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales during the years ended 31 March 2026 and 2025.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the (loss)/profit from each segment without allocation of certain of other income and gains, unallocated corporate expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

7. OPERATING SEGMENT INFORMATION (continued)

Segment information (continued)

Segment assets and liabilities

	2026 HK$'000	2025 HK$'000
Segment assets		
Construction services	**142,187**	142,401
Intelligent storage business	**417,544**	–
Total reportable segment assets	**559,731**	142,401
Unallocated corporate assets	**3,899**	3,993
Consolidated total assets	**563,630**	146,394
Segment liabilities		
Construction services	**59,407**	37,596
Intelligent storage business	**384,249**	–
Total reportable segment liabilities	**443,656**	37,596
Unallocated corporate liabilities	**4,810**	3,234
Consolidated total liabilities	**448,466**	40,830

Other segment information

For the year ended 31 March 2026

	Construction services HK$'000	Intelligent storage business HK$'000	Unallocated HK$'000	Total HK$'000
Addition to non-current assets	**–**	**3,681**	**–**	**3,681**
Depreciation of property, plant and equipment	**89**	**94**	**–**	**183**
Depreciation of right-of-use assets	**–**	**660**	**–**	**660**
Impairment loss on trade receivables	**2,368**	**2,147**	**–**	**4,515**
Impairment loss on contract assets	**670**	**–**	**–**	**670**

For the year ended 31 March 2025

	Construction services HK$'000	Intelligent storage business HK$'000	Unallocated HK$'000	Total HK$'000
Addition to non-current assets	267	–	444	711
Depreciation of property, plant and equipment	1,866	–	–	1,866
Depreciation of right-of-use assets	–	–	287	287
Impairment loss on contract assets	2,617	–	–	2,617

7. OPERATING SEGMENT INFORMATION (continued)

Geographical information

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

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from external customers		Non-current assets	
	2026 HK$'000	2025 HK$'000	**2026 HK$'000**	2025 HK$'000
Hong Kong	**466,199**	173,388	**2,081**	249
The PRC	**90,115**	–	**1,509**	–
	556,314	173,388	**3,590**	249

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the year is set out below:

	2026 HK$'000	2025 HK$'000
Customer I[1]	**N/A[3]**	22,324
Customer II[1]	**84,724**	78,878
Customer III[1]	**N/A[3]**	35,725
Customer IV[1]	**74,752**	23,973
Customer V[1]	**84,276**	N/A[3]
Customer VI[2]	**110,134**	N/A[3]
Customer VII[2]	**77,248**	N/A[3]
Customer VIII[2]	**54,353**	N/A[3]

1 Revenue from construction services.

2 Revenue from intelligent storage business.

3 The corresponding revenue did not contribute over 10% of the total revenue of the Group during the corresponding year.

8. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of services rendered and earned by the Group. All the Group's revenue (other than interest income) is derived from contracts with customers under HKFRS 15.

An analysis of revenue, other income and gains from the Group's continuing operations is as follows:

	2026 HK$'000	2025 HK$'000
Revenue		
Construction services		
Private sector	**119,209**	81,048
Public sector	**159,608**	92,340
Intelligent storage business	**277,497**	–
	556,314	173,388
Other income and gains		
Interest income	**18**	87
Rental income	**–**	257
Government grants*	**390**	184
Gain on disposal of items of property, plant and equipment	**–**	144
Others	**–**	58
	408	730

* Grants have been received from the Construction Industry Council and the Innovation and Technology Commission – both institutions established by the Government of the Hong Kong Special Administrative Region – to strengthen hygienic control measures, providing on-the-job training for graduate engineers and trainees and implement solutions aimed at enhancing operational productivity and driving business process transformation. There were no unfulfilled conditions or contingencies relating to these grants.

8. REVENUE, OTHER INCOME AND GAINS (continued)

Performance obligations for contracts with customers

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of issuance of payment certificate. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Intelligent storage business

Revenue from sales of electronic components directly to the customers is recognised at the point in time that the control of the finished products has passed to the customers, which is primarily upon the delivery of the products to the customers.

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

Unsatisfied performance obligations related to construction contracts:

	2026 HK$'000	2025 HK$'000
Amount expected to be recognised as revenue:		
Within one year	200,149	159,231
After one year	–	138,465
	200,149	297,696

The amount of transaction prices allocated to the remaining performance obligations which are expected to be recognised after one year relate to construction services, of which the performance obligations are to be satisfied within two years. All the other amount of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amount disclosed above do not include variable consideration which is constrained.

Intelligent storage business are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

9. LOSS BEFORE INCOME TAX

The Group's loss before income tax from continuing operations is arrived at after charging:

	Notes	2026 HK$'000	2025 HK$'000
Depreciation of owned assets	18	**183**	1,866
Depreciation of right-of-use assets	18	**660**	287
Total depreciation		**843**	2,153
Expenses related to short-term leases		**144**	5,118
Auditors' remuneration		**820**	800
Cost of inventories sold recognised as an expense		**239,158**	–
Employee benefit expense (including directors' and chief executive's remuneration (note 12)):			
Wages and salaries		**20,984**	42,672
Pension scheme contributions		**400**	347
Equity-settled share-based expenses		**5,202**	–
		26,586	43,019

10. OTHER LOSSES

An analysis of other losses from the Group's continuing operations is as follows:

	2026 HK$'000	2025 HK$'000
Impairment loss on trade receivables	**4,515**	–
Impairment loss on contract assets	**670**	2,617
Net loss on disposal of subsidiaries	**–**	1,649
Loss on termination of lease	**–**	17
	5,185	4,283

11. FINANCE COSTS

An analysis of finance costs from the Group's continuing operations is as follows:

	2026 HK$'000	2025 HK$'000
Interest on bank overdrafts	–*	–*
Interest on lease liabilities	146	12
	146	12

Note:

* Less than HK$1,000

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, is as follows:

	2026 HK$'000	2025 HK$'000
Fees	2,718	2,700
Other emoluments:		
Salaries, allowances and benefits in kind	–	–
Pension scheme contributions	46	–
Equity-settled share-based expenses	5,202	–
	5,248	–
	7,966	2,700

(a) Independent non-executive director

2026

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
Mr. Lam Williamson	87	–	–	87
Mr. Li, Sheung Him Michael	87	–	–	87
Mr. Yu Kuai	87	–	–	87
Mr. Wang Wenxing	83	–	–	83
Ms. Florence Ng	83	–	–	83
Mr. An Wen Long	83	–	–	83
	510	–	–	510

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Independent non-executive director (continued)

2025

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
Mr. Wang Wenxing	250	–	–	250
Ms. Florence Ng	250	–	–	250
Mr. An Wen Long	250	–	–	250
	750	–	–	750

Mr. Lam Williamson, Mr. Li, Sheung Him Michael and Mr. Yu Kuai were appointed as independent non-executive directors of the Company on 11 July 2025. Mr. Wang Wenxing, Ms. Florence Ng and Mr. An Wen Long were resigned as independent non-executive directors of the Company on 31 July 2025.

(b) Executive director

2026

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Equity-settled share-based expense HK$'000	Total remuneration HK$'000
Mr. He Xin ("**Mr. He**") (Note (b))	510	–	14	3,286	3,810
Ms. Zeng Jingwen	424	–	14	614	1,052
Mr. Chiu Sui Keung	447	–	10	1,302	1,759
Ms. Cai Ruoxi	178	–	8	–	186
Mr. Wang Jianfeng	400	–	–	–	400
	1,959	–	46	5,202	7,207

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive director (continued)

2025

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
Mr. Wang Jianfeng	1,200	–	–	1,200

Mr. He, Ms. Zeng and Ms. Cai Ruoxi were appointed as executive directors of the Company on 11 July 2025. Mr. Chiu Sui Keung was appointed as executive director of the Company on 11 July 2025 and was resigned on 13 January 2026. Mr. Wang Jianfeng was resigned as executive director of the Company on 31 July 2025.

(c) Non-executive director

The fee paid to non-executive directors during the year were as follows:

	2026 HK$'000	2025 HK$'000
Mr. Cai Huihui	83	250
Ms. Liu Jingna	83	250
Mr. Ruan Dongdong	83	250
	249	750

Mr. Cai Huihui, Ms. Liu Jingna and Mr. Ruan Dongdong were resigned as non-executive directors of the Company on 31 July 2025.

Notes:

(a) During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2025: Nil). Neither the chief executive nor any of the directors has waived or agreed to waive any emoluments during the year (2025: Nil).

(b) Mr. He is also the chief executive officer of the Company and his emoluments disclosed above including these for services rendered by him as the chief executive officer.

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees included three directors (2025: one director), details of whose remuneration are set out in note 12 above. Details of the remuneration for the year of the remaining two (2025: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2026 **HK$'000**	2025 HK$'000
Salaries, allowances and benefits in kind	**4,722**	5,949
Discretionary bonuses	**332**	23,912
Pension scheme contributions	**36**	57
	5,090	29,918

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	Number of employees	
	2026	2025
Nil to HK$1,000,000	**–**	–
HK$1,000,001 to HK$1,500,000	**1**	2
HK$2,000,001 to HK$2,500,000	**–**	1
HK$4,000,001 to HK$4,500,000	**1**	–
HK$25,500,001 to HK$26,000,000	**–**	1

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

14. INCOME TAX EXPENSES/(CREDIT)

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, except for a subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2 million of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the year ended 31 March 2026 and 2025.

Pursuant to relevant PRC tax laws and regulations, the annual taxable income of a small low-profit enterprises (the "**Small Low-profit Enterprises**") that is not more than RMB1 million shall be taxed at a 20% corporate income tax rate on 12.5% of their taxable income amount for the proportion of taxable income not exceeding RMB1 million; and taxed at a 20% corporate income tax rate on 50% of their taxable income amount of more than RMB1 million but not exceeding RMB3 million for the year ended 31 March 2026.

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

	2026 **HK$'000**	2025 HK$'000
Current – Hong Kong		
Charge for the year	**3,687**	–
Deferred tax (note 28)	**304**	(156)
Income tax expenses/(credit) for the year	**3,991**	(156)

A reconciliation of the tax expenses/(credit) applicable to loss before income tax at the statutory rate for the jurisdiction in which the Group's major subsidiary is domiciled to the tax credit at the effective tax rate is as follows:

	2026 **HK$'000**	2025 HK$'000
Loss before income tax	**(10,639)**	(99,535)
Tax at the statutory tax rate of 16.5%	**(2,086)**	(16,423)
Income not subject to tax	**(858)**	(14)
Expenses not deductible for tax purpose	**3,926**	2,161
Tax concession	**206**	–
Tax effect of tax losses not recognised	**3,001**	13,972
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(198)**	148
Tax expenses/(credit)	**3,991**	(156)

15. DISCONTINUED OPERATION

In December 2024, the Group entered into a sale and purchase agreement with the independent third parties to dispose of the entire equity interests of Titan Group, a direct wholly-owned subsidiary of the Company. Therefore, the carrying amount related to the net assets of the Titan Group was deconsolidated from the consolidated financial statements of the Group as at completion date.

The result of the discontinued operation, which have been included in the loss for the year, were as follows. The comparative figures in the consolidated statement of profit or loss and other comprehensive income and related notes have been restated to re-present the dealing and broking services as a discontinued operation at the beginning of the year.

The loss for the year/period from the discontinued operation is analysed as follows:

	2026 HK$'000	2025 HK$'000
Loss from dealing and broking services	**–**	(2,694)
Gain on disposal of dealing and broking services (Note 36(a))	**–**	35
	–	(2,659)

Analysis of the results of the discontinued operations are set out below:

	Year ended 31 March 2026 HK$'000	Period from 1 April 2024 to 9 December 2024 HK$'000
Revenue	**–**	374
Cost of services	**–**	(7)
Other income and gains	**–**	161
Administrative and other operating expenses	**–**	(3,194)
Other losses	**–**	–
Finance costs	**–**	28
Loss before income tax	**–**	(2,694)
Income tax expense	**–**	–
Loss for the year from discontinued operation	**–**	(2,694)

15. DISCONTINUED OPERATION (continued)

Loss for the year/period from discontinued operations includes the following:

	Year ended 31 March 2026 HK$'000	Period from 1 April 2024 to 9 December 2024 HK$'000
Depreciation of owned assets	–	1
Depreciation of right-of-use assets	–	259
Total depreciation	–	260
Employee benefit expense		
Wages and salaries	–	1,196
Pension scheme contributions	–	100
	–	1,296
Gain on termination of lease	–	(21)

Cash flows for the year/period from discontinued operations:

	Year ended 31 March 2026 HK$'000	Period from 1 April 2024 to 9 December 2024 HK$'000
Net cash used in operating activities	–	(602)
Net cash generated from investing activities	–	–
Net cash used in financing activities	–	(280)

The carrying amounts of the assets and liabilities of Titan Group at the date of disposal are disclosed in note 36(a).

16. DIVIDENDS

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

17. LOSS PER SHARE

The calculation of basic and diluted loss per share from continuing operations is based on:

	2026	2025
	HK$'000	HK$'000
Loss attributable to ordinary equity holders of the Company for the purpose of calculating loss per share	**(14,630)**	(102,073)
Less: loss for the year from discontinued operations	**–**	(2,694)
Loss for the purpose of basic loss per share from continuing operations	**(14,630)**	(99,379)

	Number of shares	
	2026	2025
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**1,013,624**	1,000,000
Basic and diluted loss per share from continuing operations	**HK(1.44) cents**	HK(9.9) cents

For the year ended 31 March 2026, the calculation of the basic loss per share is based on the loss attributable to owners of the Company and the weighted average number of ordinary shares issued during the years.

For the year ended 31 March 2026, the diluted loss per share is same as the basic loss per share. The computation of diluted loss per share does not assume the dilutive potential ordinary shares arising from share options because it would result in a decrease in loss per share.

From discontinued operations

For the year ended 31 March 2025, the basic and diluted loss per share for the discontinued operations is HK0.27 cents per share, based on the loss for the period from the discontinued operations of approximately HK$2,694,000 and the denominators detailed above for both basic and diluted loss per share.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 March 2025.

18. PROPERTY, PLANT AND EQUIPMENT

	Owned assets					
	Furniture, fixtures and office equipment HK$'000	Leasehold improvement HK$'000	Computer equipment HK$'000	Sub-total HK$'000	Right-of-use assets HK$'000 (note 20(a))	Total HK$'000
31 March 2026						
At 1 April 2025						
Cost	23	–	798	821	–	821
Accumulated depreciation	(22)	–	(603)	(625)	–	(625)
Net carrying amount	1	–	195	196	–	196
At 1 April 2025, net of accumulated depreciation	1	–	195	196	–	196
Additions	225	443	35	703	2,978	3,681
Depreciation provided during the year (note 9)	(26)	(66)	(91)	(183)	(660)	(843)
Exchange adjustments	4	–	–	4	39	43
At 31 March 2026, net of accumulated depreciation	204	377	139	720	2,357	3,077
At 31 March 2026:						
Cost	252	443	833	1,528	3,022	4,550
Accumulated depreciation	(48)	(66)	(694)	(808)	(665)	(1,473)
Net carrying amount	204	377	139	720	2,357	3,077

18. PROPERTY, PLANT AND EQUIPMENT (continued)

	Owned assets						
	Furniture, fixtures and office equipment HK$'000	Tools and equipment HK$'000	Motor vehicles HK$'000	Computer equipment HK$'000	Sub-total HK$'000	Right-of-use assets HK$'000 (note 20(a))	Total HK$'000
31 March 2025							
At 1 April 2024							
Cost	120	41,747	5,077	832	47,776	2,006	49,782
Accumulated depreciation	(118)	(35,455)	(4,197)	(467)	(40,237)	(1,035)	(41,272)
Net carrying amount	2	6,292	880	365	7,539	971	8,510
At 1 April 2024, net of accumulated depreciation	2	6,292	880	365	7,539	971	8,510
Additions	–	–	267	–	267	444	711
Disposals	–	(4,855)	(880)	–	(5,735)	–	(5,735)
Termination of lease	–	–	–	–	–	(591)	(591)
Depreciation provided during the year (notes 9 and 15)	(1)	(1,437)	(267)	(162)	(1,867)	(546)	(2,413)
Disposal of subsidiaries (note 36)	–	–	–	(8)	(8)	(278)	(286)
At 31 March 2025, net of accumulated depreciation	1	–	–	195	196	–	196
At 31 March 2025:							
Cost	23	–	–	798	821	–	821
Accumulated depreciation	(22)	–	–	(603)	(625)	–	(625)
Net carrying amount	1	–	–	195	196	–	196

19. INTANGIBLE ASSET

	Licence HK$'000
At 1 April 2024	1,544
Disposal of subsidiary (note 36(c))	(1,515)
Exchange adjustments	(29)
At 31 March 2025	–

The licence represents a second class main contractor in general construction works licence (建築工程施工總承包貳級) in the PRC which were purchased as part of acquisition of a subsidiary during the year ended 31 March 2024.

The licence is considered by the management of the Group as having an indefinite useful life as it is expected to generate economic benefit to the Group indefinitely. The licence will not be amortised until its useful life is determined to be finite.

In December 2024, the Group disposed of the licence through disposal of a subsidiary.

20. LEASES

The Group as a lessee

The Group has lease contracts for properties used in its operations. Leases of properties generally have lease terms between 1 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amount of right-of-use assets and the movements during the year are as follows:

	Buildings	
	2026 **HK$'000**	2025 HK$'000
At 1 April	**–**	971
Additions	**2,978**	444
Termination of lease	**–**	(591)
Depreciation charge	**(660)**	(546)
Disposal of a subsidiary (note 36(a))	**–**	(278)
Exchange adjustments	**39**	–
At 31 March	**2,357**	–

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2026 **HK$'000**	2025 HK$'000
At 1 April	**–**	996
New leases	**2,978**	444
Termination of lease	**–**	(595)
Disposal of a subsidiary (note 36(a))	**–**	(285)
Accretion of interest recognised during the year	**146**	40
Payments	**(548)**	(600)
Exchange adjustments	**46**	–
At 31 March	**2,622**	–

20. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities (continued)

	2026 HK$'000	2025 HK$'000
Lease liabilities payable:		
Within one year	**879**	–
Within a period of more than one year but not exceeding two years	**1,743**	–
	2,622	–
Less: Amount due for settlement within 12 months shown under current liabilities	**(879)**	–
Amount due for settlement after 12 months shown under non-current liabilities	**1,743**	–

The weighted average incremental borrowing rates applied to lease liabilities range from 5.3% to 7.3% (2025: from 7.6% to 8.4%).

(c) The amounts recognised in the consolidated statement of profit or loss in relation to leases from continuing operation are as follows:

	2026 HK$'000	2025 HK$'000
Interest on lease liabilities	**146**	12
Depreciation charge of right-of-use assets	**660**	287
Expenses related to short-term leases (included in administrative and other operating expenses and cost of services)	**144**	5,118
Total amount recognised in the consolidated statement of profit or loss	**950**	5,417

(d) The total cash outflow for leases is disclosed in note 32(b) to the consolidated financial statements.

(e) The Group regularly entered into short-term leases for leased out buildings and tools and equipment. As at 31 March 2026 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

21. CONTRACT ASSETS AND CONTRACT LIABILITIES

	2026 HK$'000	2025 HK$'000
Contract assets		
Unbilled revenue	**28,134**	24,177
Retention receivables	**67,280**	65,462
Less: impairment loss	**(3,495)**	(2,825)
Contract assets – net	**91,919**	86,814
Contract liabilities	**(22,164)**	–
	69,755	86,814

As at 1 April 2024, contract assets amounted to approximately HK$94,440,000.

Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed and not yet billed because the rights are conditional upon the quality and quantity check by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

Retention receivables included in contract assets represent the Group's right to consideration for work performed but not yet collectible because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group.

Among the above contract assets, approximately HK$26,034,000 as at 31 March 2026 (2025: approximately HK$22,076,000) are expected to be recovered after twelve months from the end of the reporting period. The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

21. CONTRACT ASSETS AND CONTRACT LIABILITIES (continued)

Included in contract liabilities as at 31 March 2026 were in relation to the types of service or goods as the followings: (i) amounted to approximately HK$18,093,000 (2025: Nil) for construction service; and (ii) amounted to approximately HK$4,071,000 (2025: Nil) for intelligent storage business.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities:

	2026	2025
	HK$'000	HK$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**–**	–

Details of expected credit losses are disclosed in note 38 to the consolidated financial statements.

22. TRADE RECEIVABLES

	Notes	**2026**	2025
		HK$'000	HK$'000
Construction service	(a)	**33,008**	19,854
Intelligent storage business	(b)	**244,981**	–
Less: impairment loss	(d)	**(18,452)**	(13,934)
		259,537	5,920

Trade receivables related to construction service and arising from securities brokerage of cash customers as at 1 April 2024 are approximately HK$39,738,000 and HK$732,000 respectively.

Notes:

(a) The amount represented receivables for contract works. Management generally submit interim payment applications to customers on a monthly basis containing a statement setting out management's estimation of the valuation of the works completed in the preceding month. Upon receiving the interim payment application, the architect or the consultant of the customer will verify such valuation of works completed and issue an interim payment certificate within 30 days. Within 30 days after the issuance of the interim payment certificate, the customer will make payment to the Group based on the certified amount stipulated in such certificate, deducting any retention money in accordance with the contract. Trade receivables are non-interest-bearing.

22. TRADE RECEIVABLES (continued)

Notes: (continued)

(b) The amount represented receivables for intelligent storage business. The credit period is generally 30 to 90 days. Trade receivables are non-interest-bearing.

(c) An ageing analysis of trade receivables based on the invoice date or progress payment certificate date is as follows:

	2026 HK$'000	2025 HK$'000
Within 30 days	251,970	2,005
31 to 60 days	–	2,321
61 to 90 days	7,567	1,594
	259,537	5,920

(d) Movements in the impairment loss are as follows:

	2026 HK$'000	2025 HK$'000
Balance at beginning of the year	13,934	13,934
Impairment loss recognised on trade receivables	4,515	–
Exchange adjustments	3	–
Balance at end of the year	18,452	13,934

Details of expected credit losses are disclosed in note 38 to the financial statements.

23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	2026 HK$'000	2025 HK$'000
Non-current:			
Deposit		513	53
Current:			
Reimbursable expense	(a)	4,399	6,284
Prepayments	(b)	15,820	30,999
Deposit	(c)	2,930	591
Others		6,616	3,888
		29,765	41,762

Notes:

(a) The amounts represented costs incurred by the Group for personal injuries suffered by employees of the Group or the Group's sub-contractors in accidents arising out of and in the course of their employment. The amounts are covered by the main contractors' all risk insurance and are expected to be recovered from the main contractors.

(b) As at 31 March 2026, the amounts represented the prepayment for purchases of raw materials and leases of tools amounting to approximately HK$3,429,000 (2025: approximately HK$30,519,000).

(c) As at 31 March 2026, certain amount of the deposit approximately HK$2,315,000 was guaranteed by the corporate guarantees provided by the Company.

Details of expected credit losses are disclosed in note 38 to the consolidated financial statements.

24. INVENTORIES

	2026 HK$'000	2025 HK$'000
Finished goods	**154,464**	–

25. CASH AND CASH EQUIVALENTS

	2026 HK$'000	2025 HK$'000
Cash and cash equivalents	**24,355**	9,673

Cash and cash equivalents include cash at banks which earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

26. TRADE PAYABLES

	2026 HK$'000	2025 HK$'000
Construction service	**28,328**	25,818
Intelligent storage business	**372,357**	–
	400,685	25,818

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice date or the progress payment certificate date, is as follows:

	2026 HK$'000	2025 HK$'000
Within 30 days	**180,120**	8,966
31 to 60 days	**126,636**	543
61 to 90 days	**58,451**	180
Over 90 days	**35,478**	16,129
	400,685	25,818

Trade payables are non-interest-bearing. The payment terms of trade payables from construction service and intelligent storage business are stipulated in the relevant contracts with credit periods from 30 to 90 days in general.

27. OTHER PAYABLES AND ACCRUALS

	2026 HK$'000	2025 HK$'000
Accruals	**5,117**	6,640
Other payables	**2,438**	89
Retention payables	**11,417**	8,251
	18,972	14,980

Included in the Group's other payables are amount due to a related party of approximately HK$800,000 as at 31 March 2026.

The balances of retention payables represent payables to subcontractors that are interest-free and payable at the end of the defect liability period of individual contracts. All retention payables are expected to be settled within one year based on the expiry date of the defect liability period.

28. DEFERRED TAX

The movements in deferred tax (liabilities)/assets during the year are as follows:

	Accelerated tax depreciation HK$'000	Right-of-use assets HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 April 2024	(188)	(165)	165	(188)
Disposal of subsidiaries	–	165	(165)	–
Credited to profit or loss (note 14)	156	–	–	156
At 31 March 2025 and 1 April 2025	**(32)**	**–**	**–**	**(32)**
(Charged)/credited to profit or loss (note 14)	**(304)**	**27**	**(27)**	**(304)**
At 31 March 2026	**(336)**	**27**	**(27)**	**(336)**

For presentation purposes, deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2026 HK$'000	2025 HK$'000
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(336)**	(32)

The Group had unused tax losses of approximately HK$134,115,000 (2025: approximately HK$115,925,000) to carry forward against future taxable profits which are subject to agreement by tax authorities. All tax losses were related to certain subsidiaries operating in Hong Kong and could be carried forward indefinitely under the current tax legislation.

29. SHARE CAPITAL

Details of the share capital of the Company are as follows:

	Number of ordinary shares of HK$0.01 each	Nominal value of ordinary shares HK$'000
Authorised:		
At 1 April 2024, 31 March 2025 and 1 April 2025	2,000,000,000	20,000
Addition (note (a))	3,000,000,000	30,000
At 31 March 2026	5,000,000,000	50,000

	Number of shares in issue	Amount HK$'000
Issued and fully paid:		
At 1 April 2024, 31 March 2025 and 1 April 2025	1,000,000,000	10,000
Share issued under placing (note (b))	28,970,000	290
Grant of share awards (notes (c) and (d))	1,050,000	10
At 31 March 2026	1,030,020,000	10,300

Notes:

(a) An ordinary resolution for the increase in authorised share capital was passed at the annual general meeting of the Company held on 26 September 2025. It was resolved that the authorised share capital of the Company be increased from HK$20,000,000 divided into 2,000,000,000 shares of HK$0.01 each to HK$50,000,000 divided into 5,000,000,000 shares of HK$0.01 each, by the creation of an additional 3,000,000,000 shares of HK$0.01 each.

(b) On 14 October 2025, the Company allotted and issued 28,970,000 ordinary shares by of placing, at a placing price of HK$0.637 per ordinary share for cash. The gross proceeds from the placing amounted to HK$18,454,000, among which, HK$290,000 were credited to the share capital of the Company and HK$18,164,000 (before issuing expenses) were credited to share premium of the Company.

(c) On 5 December 2025, 525,000 awarded shares were allotted and issued to two directors and a former director pursuant to share awards vested on 17 November 2025 under the 2025 Share Scheme.

(d) On 27 February 2026, 525,000 awarded shares were allotted and issued to two directors and a former director pursuant to share awards vested on 17 February 2026 under the 2025 Share Scheme.

30. SHARE OPTION SCHEME

2019 Share Option Scheme

The Company adopted a share option scheme on 8 June 2019 (the "**2019 Share Option Scheme**") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. Eligible participants of the 2019 Share Option Scheme include the Company's directors, full-time or part-time employees of the Group, consultant, adviser, substantial shareholder, distributor, contractor, supplier, agent, customer, business partner and service provider of the Group. The 2019 Share Option Scheme became effective on 8 June 2019 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised shares in respect of which options may be granted under the Scheme is such a number of shares representing 10% of the issued share capital of the Company as at the date of this report, i.e. 100,000,000 shares. The 10% limit may be refreshed at any time by approval of the shareholders in the general meeting. The maximum number of shares issuable under share options to each eligible participant in the 2019 Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to directors, chief executive or substantial shareholders of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options must be accepted within 7 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors and ends on a date which is not later than 10 years from the date of offer of the share options.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the closing price of the shares of the Company as stated in the Stock Exchange daily quotations sheet on the date of grant of the share options; (ii) the average closing prices of the shares of the Company as stated in the Stock Exchange daily quotations sheet for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the shares of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

No option has been granted from the date of adoption of the 2019 Share Option Scheme for the years ended 31 March 2025 and 2026.

30. SHARE OPTION SCHEME (continued)

2025 Share Scheme

The Company's new share scheme (the "**2025 Share Scheme**") was adopted pursuant to a resolution passed on 26 September 2025 for the purpose of providing incentive to the eligible participants in order to promote the development and success of the business of the Group. Eligible participants of the 2025 Share Scheme include the Company's directors, full-time or part-time employees or other employment arrangement of any member of the Group (including persons who are granted awards under the 2025 Share Scheme as inducement to enter into employment contracts with any member of the Group). The 2025 Share Scheme became effective on 26 September 2025 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

As at 31 March 2026, the number of shares in respect of which options and awards had been granted and remained outstanding under the 2025 Share Scheme was 12,950,000, representing 1.26% of the shares of the Company in issue at that date. The total number of shares in respect of which options and awards may be granted under the 2025 Share 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 are granted or 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. All awards granted to any director, chief executive, or substantial shareholder of the Company, or any of their respective associates, must be approved in advance by the Company's independent non-executive directors, excluding any proposed recipient of the grant.

Options granted must be taken up within 12 months of the date of grant, upon payment of HK$1 per option. Options may be exercised at any time from twelve months from the date of grant of the share option. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, and (ii) the average closing price of the shares for the five business days immediately preceding the date of grant.

30. SHARE OPTION SCHEME (continued)

2025 Share Scheme (continued)

The following tables disclose details and movements of the share options granted under the 2025 Share Scheme during the year ended 31 March 2026:

Category of grantee	Date of grant	Exercise period	Number of share options: Outstanding at 1 April 2025	Granted/ modified during the year	Exercised during the year	Cancelled/ forfeited during the year (Note)	Outstanding at 31 March 2026
Directors	17 October 2025	17 November 2025 to 16 October 2035	–	4,500,000	–	(2,025,000)	2,475,000
Directors	17 October 2025	13 January 2026 to 13 July 2026	–	2,250,000	–	–	2,250,000
Directors	17 October 2025	17 February 2026 to 16 October 2035	–	6,750,000	–	(4,275,000)	2,475,000
Directors	17 October 2025	17 May 2026 to 16 October 2035	–	6,750,000	–	(4,275,000)	2,475,000
Directors	17 October 2025	17 October 2026 to 16 October 2035	–	6,750,000	–	(4,275,000)	2,475,000
Total			–	27,000,000	–	(14,850,000)	12,150,000
Exercisable at the end of the year							7,200,000
Weighted average exercise price			N/A	HK$0.92	–	HK$0.92	HK$0.92

Note:

On 23 October 2025, 8,100,000 share options granted to a director was cancelled. On 13 January 2026, 6,750,000 share options granted to a director was forfeited due to his resignation.

No share option of the 2025 Share Scheme was granted, exercised, forfeited, cancelled or lapsed during the year ended 31 March 2025 and there were no outstanding share options as at 31 March 2025.

The fair values of share options granted for the 2025 Share Scheme granted during the year were calculated using binomial option pricing model, details of which are as follows:

	Date of grant 17 October 2025
Share price at grant date	HK$0.80
Exercise price	HK$0.92
Expected volatility	107.46%
Risk-free interest rate	2.89%
Dividend yield	0%

30. SHARE OPTION SCHEME (continued)

2025 Share Scheme (continued)

On 13 January 2026, the exercise period of certain share options granted to a director was modified. The newly exercise period was from 13 January 2026 to 13 July 2026. The incremental value arising from the aforesaid modification was approximately HK$225,000 which represented the difference between the fair value of the modified share options and the fair value of the unmodified share options at the date of modification. The fair value of the modified share options and unmodified share options were estimated using the binomial option pricing model, details of which are as follows:

	Number of shares in respect of the unmodified share options	Number of shares in respect of the modified share options
Share price at grant date	HK$0.64	HK$0.64
Exercise price	HK$0.92	HK$0.92
Expected volatility	70.54%	106.77%
Risk-free interest rate	2.36%	2.36%
Dividend yield	0%	0%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous years. No other feature of options granted was incorporated into the measurement of fair value.

The variables and assumptions used in computing the fair values of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

For the year ended 31 March 2026, the Group recognised equity-settled share-based payments expense in consolidated profit or loss in aggregate of approximately HK$4,453,000 for the share options under the 2025 Share Scheme (2025: Nil).

The following tables disclose details and movements of the share awards granted under the 2025 Share Scheme during the year ended 31 March 2026:

			Number of awarded shares				
Category of grantee	Date of grant	Date of award	Outstanding at 1 April 2025	Granted during the year	Awarded during the year	Cancelled/ forfeited during the year	Outstanding at 31 March 2026
Directors	17 October 2025	17 November 2025	–	750,000	(525,000)	(225,000)	–
Directors	17 October 2025	17 February 2026	–	750,000	(525,000)	(225,000)	–
Directors	17 October 2025	17 May 2026	–	750,000	–	(225,000)	525,000
Directors	17 October 2025	17 October 2026	–	750,000	–	(475,000)	275,000
			–	3,000,000	(1,050,000)	(1,150,000)	800,000

30. SHARE OPTION SCHEME (continued)

2025 Share Scheme (continued)

The fair value of the share awards was based on the closing price per share at the date of grant.

For the year ended 31 March 2026, the Group recognised equity-settled share-based payments expense in consolidated profit or loss in aggregate of approximately HK$1,364,000 for the share awards under the 2025 Share Scheme (2025: Nil).

31. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

(b) Merger reserve

The merger reserve represents the aggregate of the paid-up share capital of the subsidiaries now comprising the Group before the completion of the reorganisation carried out in initial public offering.

(c) Share-based payment reserve

The share-based payment reserve arises from equity-settled share-based payments granted to eligible grantees of the Group.

(d) Contributed surplus

During the year ended 31 March 2025, a deemed contribution from a shareholder amounting approximately HK$23,620,000, arising from the extinguishment of a substantial shareholder loan, was recognised as capital contribution and credited directly to reserves in the consolidated statement of changes in equity.

(e) Translation reserve

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities:

	Lease liabilities HK$'000
At 1 April 2024	996
Changes from financing cash flows	(600)
New Leases	444
Disposal of a subsidiary	(285)
Termination of lease	(595)
Interest expenses	40
Deemed contribution from a shareholder from extinguished loan	–
At 31 March 2025 and 1 April 2025	–
Changes from financing cash flows	(548)
New Leases	2,978
Interest expenses	146
Exchange adjustments	46
As 31 March 2026	2,622

(b) Total cash outflow of leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2026 **HK$'000**	2025 HK$'000
Within operating activities	**144**	5,118
Within financing activities	**548**	600
	692	5,718

(c) Major non-cash transactions

During the year ended 31 March 2025, a deemed contribution from a shareholder amounting approximately HK$23,620,000, arising from the extinguishment of a substantial shareholder loan, was recognised as capital contribution.

33. CONTINGENT LIABILITIES

Claims of personal injuries

In the ordinary course of the Group's construction business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the Group's sub-contractors in accidents arising out of and in the course of their employment. The directors are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.

34. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

	2026 HK$'000	2025 HK$'000
Salaries, allowances and benefits in kind	2,718	2,700
Pension scheme contributions	46	–
Equity-settled share-based expenses	5,202	–
	7,966	2,700

The above compensation of key management personnel includes the directors' and chief executive's remuneration, details of which are set out in note 12 to the financial statements.

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets:

	2026 HK$'000	2025 HK$'000
Financial assets measured at amortised cost		
Trade receivables	259,537	5,920
Financial assets included in other receivables and other assets	14,458	10,816
Cash and cash equivalents	24,355	9,673
	298,350	26,409

Financial liabilities:

	2026 HK$'000	2025 HK$'000
Financial liabilities measured at amortised cost		
Trade payables	400,685	25,818
Other payables and accruals	18,972	14,980
Lease liabilities	2,622	–
	422,279	40,798

36. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Titan Group

In December 2024, the Group disposed its entire equity interests of Titan Group, indirect wholly-owned subsidiaries of the Company, for consideration of approximately HK$4,333,000 to the third parties. The aggregated net assets of Titan Group as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK$'000
Non-current assets	
Property, plant and equipment	8
Right-of-use assets	278
Trading right	–
Statutory deposit	205
Current assets	
Trade and other receivables	148
Cash and bank balances	3,964
Cash and bank balances-trust and segregated accounts	762
Current liabilities	
Trade and other payables	(782)
Lease liabilities	(285)
Net assets disposal of	4,298

Gain on disposal of Titan Group

	HK$'000
Cash consideration received	4,333
Net assets disposed of	(4,298)
Gain on disposal	35

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Titan Group

	HK$'000
Consideration received in cash	776
Less: cash and cash equivalents disposed	(3,964)
Net cash outflow	(3,188)

36. DISPOSAL OF SUBSIDIARIES (continued)

(b) Disposal of Beyond Joy Holding Limited and its subsidiaries

In December 2024, the Group disposed its entire equity interests of Beyond Joy Holding Limited and its subsidiaries (collectively named "**Beyond Joy Group**"), indirect wholly-owned subsidiaries of the Company, for consideration of USD1 (equivalent to approximately HK$7.75) to an ultimate shareholder. The aggregated net liabilities of Beyond Joy Group as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK$'000
Current assets	
Cash and bank balances	1
Current liabilities	
Trade and other payables	(15)
Net liabilities disposal of	(14)

Gain on disposal of Beyond Joy Group

	HK$'000
Cash consideration received	–*
Net liabilities disposed of	14
Gain on disposal	14

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Beyond Joy Group

	HK$'000
Consideration received in cash	–*
Less: cash and cash equivalents disposed	(1)
Net cash outflow	(1)

36. DISPOSAL OF SUBSIDIARIES (continued)

(c) Disposal of Wonderful Apex Holding Limited and its subsidiaries

In December 2024, the Group disposed its entire equity interests of Wonderful Apex Holding Limited and its subsidiaries (collectively named "**Wonderful Apex Group**"), indirect wholly-owned subsidiaries of the Company, for consideration of USD1 (equivalent to approximately HK$7.75) to an ultimate shareholder. The aggregated net assets of Wonderful Apex Group as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK$'000
Non-current assets	
Intangible assets	1,515
Current assets	
Cash and bank balances	24
Current liabilities	
Trade and other payables	(17)
Net assets disposal of	1,522

Loss on disposal of Wonderful Apex Group

	HK$'000
Cash consideration received	–*
Net assets disposed of	(1,522)
Reclassification of cumulative translation reserve upon disposal of Wonderful Apex Group to profit or loss	(203)
Loss on disposal	(1,725)

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Wonderful Apex Group

	HK$'000
Consideration received in cash	–*
Less: cash and cash equivalents disposed	(24)
Net cash outflow	(24)

36. DISPOSAL OF SUBSIDIARIES (continued)

(d) Disposal of Premier Hero Limited and its subsidiaries

In December 2024, the Group disposed of its entire equity interests of Premier Hero Limited and its subsidiaries (collectively named "**Premier Hero Group**"), indirect wholly-owned subsidiaries of the Company, for consideration of USD1 (equivalent to approximately HK$7.75) to an ultimate shareholder. The aggregated net liabilities of Premier Hero Group as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK$'000
Current assets	
Trade and other receivables	7
Cash and bank balances	14
Current liabilities	
Trade and other payables	(48)
Net liabilities disposal of	(27)

Gain on disposal of Premier Hero Group

	HK$'000
Cash consideration received	–*
Net liabilities disposed of	27
Gain on disposal	27

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Premier Hero Group

	HK$'000
Consideration received in cash	–*
Less: cash and cash equivalents disposed	(14)
Net cash outflow	(14)

* Less than HK$1,000

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of financial instruments, other than those measured at fair value, which include trust bank balances held on behalf of customers, cash and cash equivalents, trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign exchange risk

The Group is exposed to foreign exchange risk primarily arising from monetary assets and liabilities of certain subsidiaries denominated in foreign currencies other than their functional currencies. The currencies giving rise to this risk are primarily the United States Dollar.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from forecast transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	Assets		Liabilities	
	2026 HK$'000	2025 HK$'000	**2026 HK$'000**	2025 HK$'000
United States Dollar ("**US$**")	**314,815**	–	**252,295**	–

Sensitivity analysis

No sensitivity analysis is presented for foreign currency fluctuation between US$ against HK$ because HK$ is pegged to US$ and assumed that the rate would not be materially affected by any changes in movement in value of the HK$ against other currencies.

Interest rate risk

Other than bank balances with variable interest rates, the Group has no other significant interest-bearing assets. Management does not anticipate any significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

The Group's interest rate risk mainly arises from lease liabilities as disclosed in note 20. Lease liabilities were issued at fixed rates which expose the Group to fair value interest risk. The Group has no cash flow interest rate risk as there are no borrowings which bear floating interest rates. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group's credit risk is primarily attributable to contract assets, trade receivables, financial assets included in prepayments, other receivables and other assets and cash and cash equivalents. The Group's maximum credit risk exposure at the end of the reporting period in the event of other parties failing to perform their obligations is represented by the carrying amount of each financial asset as stated in the consolidated statement of financial position.

Management monitors the creditworthiness and payment patterns of each debtor closely and on an ongoing basis. The Group's trade receivables and contract assets from contract works represent interim billings or retentions certified by the customers under terms as stipulated in the contracts and the Group does not hold any collateral over these trade receivables and contract assets. As the Group's customers in respect of contract works primarily consist of main contractors in the construction industry, property developers or owners with strong financial backgrounds, management considers that the risk of irrecoverable receivables from contract works is not significant. For the trade receivables due to the intelligent storage business, the Group has monitoring procedures to ensure the follow-up action is taken to recover overdue debts. The Group review the recoverable amount of each individual trade receivables at the end of the reporting period to ensure the adequate impairment losses are made for irrecoverable amounts.

The following table demonstrates the concentrations of credit risk of the total trade receivables and contract assets which were due from the Group's largest external debtor and the Group's five largest external debtors, respectively.

	2026 %	2025 %
Percentage of total trade receivables and contract assets due from:		
Group's largest external debtor	**29.0**	36.4
Group's five largest external debtors	**75.2**	79.0

Further quantitative data in respect of the Group's exposure to credit risk arising from contract assets and trade receivables are disclosed in notes 21 and 22 to the consolidated financial statements, respectively.

The Group has applied the simplified approach to provide for impairment for ECLs prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for impairment of all trade receivables and contract assets that result from transactions that are within the scope of HKFRS 15. To measure the ECLs, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forward-looking information.

For financial assets included in prepayments, other receivables and other assets and cash and cash equivalents (the "**Other Financial Assets**"), the Group applied the general approach to provide for impairment for ECLs prescribed by HKFRS 9. Management considered that the expected credit loss rate for the Group's Other Financial Assets is minimal and therefore no provision for impairment of Other Financial Assets was made as at 31 March 2026 and 2025.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

On that basis, the loss allowance as at 31 March 2026 ad 2025 was determined as follows for trade receivables and contract assets:

During the year ended 31 March 2026, the expected credit loss rates for credit-impaired trade receivables are assessed to be 100% (2025: 100%). Management considered that the expected credit loss rate for not credit-impaired trade receivables is minimal.

At 31 March 2026

	Total
Contract assets	
Lifetime expected loss rate	3.7%
Gross carrying amount (HK$'000)	95,414
Loss allowance provision (HK$'000)	3,495

At 31 March 2025

	Total
Contract assets	
Lifetime expected loss rate	3.2%
Gross carrying amount (HK$'000)	89,639
Loss allowance provision (HK$'000)	2,825

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engages in a repayment plan with the Group, and a failure to make contractual payments.

The movement in the loss allowances for trade receivables and contract assets during the years ended 31 March 2026 and 2025 are as follows:

	Trade receivables Life-time ECL (not credit-impaired) HK$'000	Trade receivables Life-time ECL (credit-impaired) HK$'000	Contract assets Life-time ECL (not credit-impaired) HK$'000
At 1 April 2024	–	13,934	208
Provision for loss allowance	–	–	2,617
At 31 March 2025 and 1 April 2025	–	13,934	2,825
Provision for loss allowance	2,412	2,103	670
Exchange realignment	3	–	–
At 31 March 2026	2,415	16,037	3,495

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from applicable interest rate at the end of each of the reporting period.

As at 31 March 2026

	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 3 months or on demand HK$'000	3 to less than 12 months HK$'000	1 to 5 years HK$'000
Trade payables	400,685	400,685	365,207	35,478	–
Financial instruments included in other payables and accruals	18,972	18,972	18,972	–	–
Lease liabilities	2,622	2,916	263	761	1,892
	422,279	422,573	384,442	36,239	1,892

As at 31 March 2025

	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 3 months or on demand HK$'000	3 to less than 12 months HK$'000	1 to 5 years HK$'000
Trade payables	25,818	25,818	25,818	–	–
Financial instruments included in other payables and accruals	14,980	14,980	14,980	–	–
	40,798	40,798	40,798	–	–

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new share issues as well as raising new debts. The Group's overall strategy remained unchanged during the years ended 31 March 2026 and 2025.

The Group monitors capital using a net debt to equity ratio, which is net debt divided by the equity attributable to owners of the parent. Net debt includes total interest-bearing bank loans, net of cash and cash equivalents. The net debt to equity ratios as at the end of the reporting periods were as follows:

	2026 **HK$'000**	2025 HK$'000
Net cash and bank balances	**24,355**	9,673
Equity attributable to owners of the parent	**115,164**	105,564
Net debt to equity ratio	**N/A**	N/A

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2026 HK$'000	2025 HK$'000
NON-CURRENT ASSETS		
Investment in subsidiaries	**64,441**	64,441
Amount due from subsidiaries	**51,019**	32,203
Total non-current assets	**115,460**	96,644
CURRENT ASSETS		
Prepayment and other receivables	**3,887**	3,888
Cash and cash equivalents	**11**	37
Total current assets	**3,898**	3,925
CURRENT LIABILITIES		
Other payables and accruals	**4,494**	3,218
Amount due to the ultimate holding company	**300**	–
Amount due to subsidiaries	**1,103**	122
Total current liabilities	**5,897**	3,340
NET CURRENT (LIABILITIES)/ASSETS	**(1,999)**	585
NET ASSETS	**113,461**	97,229
EQUITY		
Share capital	**10,300**	10,000
Reserves (note)	**103,161**	87,229
TOTAL EQUITY	**113,461**	97,229

He Xin
Director

Zeng Jingwen
Director

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium HK$'000	Share-based payment reserve HK$'000	Contributed surplus HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2024	99,157	–	–	(16,941)	82,216
Loss and total comprehensive loss for the year	–	–	–	(18,607)	(18,607)
Deemed contributed from a shareholder from extinguished loans	–	–	23,620	–	23,620
At 31 March 2025 and 1 April 2025	99,157	–	23,620	(35,548)	87,229
Loss and total comprehensive loss for the year	–	–	–	(8,078)	(8,078)
Issue for shares upon placing	18,164	–	–	–	18,164
Transaction costs attributable to issue of shares under placing	(186)	–	–	–	(186)
Recognition of equity-settled share-based payments	–	6,042	–	–	6,042
Transfer of share awards	830	(840)	–	–	(10)
At 31 March 2026	117,965	5,202	23,620	(43,626)	103,161

40. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group expanded its operations into the PRC new energy sector through the following initiatives:

On 16 April 2026, the Group's indirect wholly-owned subsidiary, Shenzhen Huayuan, entered into a joint venture agreement with independent third party, to establish Shenzhen Hengchenyu Intelligent Technology Co., Ltd. in the PRC. The Group contributed RMB8,000,000 for an 80% equity interest in the RMB10,000,000 registered capital.

On 16 May 2026, the newly formed joint venture subsidiary entered into a partnership agreement to invest in Guangzhou Xindong Changqing Investment Partnership. The subsidiary subscribed for RMB10,000,000 (equivalent to approximately HK$11,500,000), representing a 28.09% limited partner contribution to the total RMB35,600,000 capital.

41. COMPARATIVE FIGURES

Certain comparative figures are reclassified to conform with the current year's presentation.

42. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 24 June 2026.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and assets, liabilities and equity of the Group for the last five financial years, as extracted from the Prospectus and the published audited financial statements is set out below. This summary does not form part of the audited financial statements.

RESULTS	2026 HK$'000	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000
Revenue	556,314	173,762	452,666	372,086	340,084
(Loss)/profit before tax	(10,639)	(102,229)	(33,459)	11,576	(39,219)
Income tax (expense)/credit	(3,991)	156	1,367	(6,609)	5,375
(Loss)/profit for the year	(14,630)	(102,073)	(32,092)	4,967	(33,844)

ASSETS, EQUITY AND LIABILITIES	2026 HK$'000	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000
ASSETS					
Non-current assets	3,590	249	10,353	13,894	25,965
Current assets	560,040	146,145	255,012	293,969	256,759
Total assets	563,630	146,394	265,365	307,863	282,724
EQUITY AND LIABILITIES					
Total equity	115,164	105,564	183,843	216,109	211,142
Non-current liabilities	2,079	32	287	517	3,174
Current liabilities	446,387	40,798	81,235	91,237	68,408
Total liabilities	448,466	40,830	81,522	91,754	71,582
Total equity and liabilities	563,630	146,394	265,365	307,863	282,724