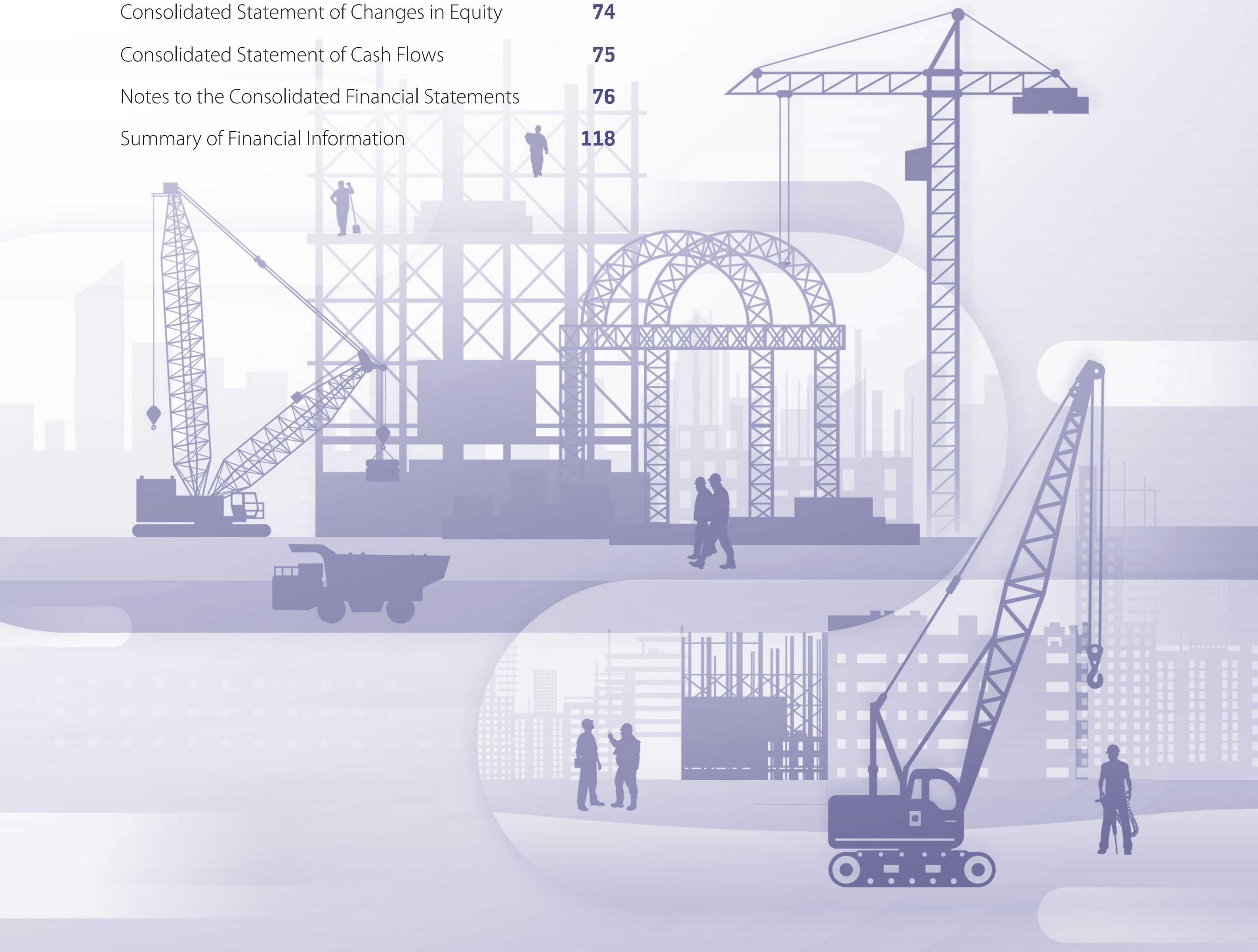
Shun Wo Group Holdings Limited
汛和集團控股有限公司

(incorporated in the Cayman Islands with limited liability)
Stock Code: 1591

2026
ANNUAL REPORT

Contents



Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Yan Hung *(Chairman)*
Mr. Wong Tony Yee Pong *(Chief executive officer)*
Mr. Lai Kwok Fai *(Chief operating officer)*
(Resigned on 27 October 2025)
Ms. To Kit Man
Ms. Wong Nga Ling Kitty

Independent Non-Executive Directors

Mr. Law Ka Ho (Resigned on 6 July 2026)
Mr. Chui Gary Wing Yue (Appointed on 6 July 2026)
Mr. Leung Wai Lim
Mr. Tam Wai Tak Victor

AUDIT COMMITTEE

Mr. Tam Wai Tak Victor *(Chairman)*
Mr. Law Ka Ho (Resigned on 6 July 2026)
Mr. Leung Wai Lim
Mr. Chui Gary Wing Yue (Appointed on 6 July 2026)

REMUNERATION COMMITTEE

Mr. Law Ka Ho *(Chairman)* (Resigned on 6 July 2026)
Mr. Chui Gary Wing Yue *(Chairman)* (Appointed on 6 July 2026)
Mr. Leung Wai Lim
Mr. Wong Tony Yee Pong

NOMINATION COMMITTEE

Mr. Wong Yan Hung *(Chairman)*
Mr. Law Ka Ho (Resigned on 6 July 2026)
Mr. Tam Wai Tak Victor
Ms. Wong Nga Ling Kitty
Mr. Leung Wai Lim
Mr. Chui Gary Wing Yue (Appointed on 6 July 2026)

COMPANY SECRETARY

Ms. To Kit Man

AUTHORISED REPRESENTATIVES

Mr. Wong Tony Yee Pong
Ms. To Kit Man

REGISTERED OFFICE

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat A, 7th Floor
Sai Wan Ho Plaza
68 Shaukeiwan Road
Hong Kong

LEGAL ADVISER

David Fong & Co.
Solicitors, Hong Kong
Unit A, 12/F
China Overseas Building
139 Hennessy Road
Wan Chai
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F
148 Electric Road
North Point
Hong Kong

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F, Gloucester Tower
The Landmark
11 Pedder Street, Central
Hong Kong

PRINCIPAL BANK

Bank of China (Hong Kong) Limited

COMPANY'S WEBSITE

www.swgrph.com

STOCK CODE

1591

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Shun Wo Group Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), I would like to present to our shareholders the annual report of the Group for the year ended 31 March 2026 (the "**Review Year**").

In the face of intensifying competition within Hong Kong's foundation sector during the Review Year, the Group recorded revenue of approximately HK$160.4 million, representing a marginal decline of 3.5% year-on-year. This contraction was primarily attributable to a reduced portfolio of active foundation projects during the Review Year. Despite the relatively stable top-line performance, the overall gross profit margin contracted significantly from approximately 15.2% in the previous financial year to 8.2% in the Review Year. This compression was driven by substantial direct costs associated with projects awarded in early 2026, alongside unforeseen rectification and site recovery expenses incurred due to adverse weather conditions. Furthermore, lower interest income and the cessation of project management fees following project completion in mid-2025 placed additional downward pressure on profitability. Consequently, the Group recorded a net loss of approximately HK$14.5 million for the Review Year, compared to a net loss of approximately HK$5.7 million in the previous financial year.

Despite an uptick in tender invitations for foundation works in late 2025, the Group maintains a prudent and cautious outlook regarding its operating performance in the upcoming financial year. Facing headwinds such as a subdued property market, persistent inflationary pressures, and energy price volatility exacerbated by ongoing geopolitical conflicts in the Middle East, the Group will strictly enforce risk management protocols and cost-control measures across all operations.

Leveraging our long-established standing in the foundation industry and the expertise of our experienced management team, I am confident in the Group's ability to navigate current headwinds and remain optimistic about our long-term prospects. Furthermore, following the successful fundraising via the rights issue in early 2026, our liquidity position has strengthened substantially. This enhanced financial flexibility grants the Group greater bargaining leverage to negotiate more favorable pricing with subcontractors and suppliers, thereby driving cost efficiencies across our project pipeline.

Last but not least, on behalf of the Board, I would like to take this opportunity to express my sincere gratitude to the management team and staff for their hard work and contributions, and to the shareholders, investors and business partners for their trust and support.

The Board does not recommend the declaration of final dividend for the Review Year.

Wong Yan Hung
Chairman

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group has more than 20 years of history in Hong Kong's foundation industry, specialising in excavation and lateral support works, socketed H-piling and mini-piling works and pile caps construction works. Hop Kee Construction Company Limited ("**Hop Kee**"), the principal operating subsidiary, is registered under the Buildings Ordinance as a Registered Specialist Contractor under the sub-register of "Foundation Works" and "Site Formation Works" category since December 2009.

As at 31 March 2026, the Group had a total of 10 ongoing projects (including projects that have commenced but not completed as well as projects that have been awarded but not yet commenced) and the original contract sum of these projects are approximately HK$258.6 million.

The construction industry in Hong Kong remained highly competitive during the Review Year. For the year ended 31 March 2026, the Group recorded revenue of approximately HK$160.4 million as compared to revenue of HK$166.3 million for the corresponding year. The Group reported a net loss of approximately HK$14.5 million during the Review Year, representing an increase of loss of approximately HK$8.8 million as compared with the corresponding year. The loss was mainly due to the combined results of: (i) a decrease in gross profit stemming from the keen competition in the property market; (ii) the high cost input for the newly awarded projects in early 2026; (iii) a significant drop in project management fee in which the project was completed in mid 2025 and a decline in interest income; and (iv) a decrease in impairment losses on financial assets and contract assets, net.

Looking forward to next year, the Directors are of the view that the recovery of the property market in Hong Kong remains slow. The Group will adopt more flexible and attractive bidding strategies so as to secure revenue. However, intense competition among the market players and high technical requirements have created downward pressure on contract pricing, which may affect overall profitability. Benefit from the fund-raising through the rights issue in the Review Year, the payment cycle to the subcontractors and suppliers would be shorten, enabling the Group to secure favourable pricing. In the meantime, the Group will adhere to prudent financial management in project selection and cost control. The Group will also explore various chances in the construction industry to create greater value for shareholders.

FINANCIAL REVIEW

Revenue

The revenue of the Group was approximately HK$160.4 million for the Review Year, representing a decrease of approximately HK$5.9 million or 3.5% compared to the corresponding year ended 31 March 2025. The decrease in revenue was mainly due to the less foundation projects undertaken by the Group during the Review Year.

Gross profit and gross profit margin

The gross profit of the Group was approximately HK$13.1 million for the Review Year, representing a decrease of approximately HK$12.2 million or 48.3% when compared to the corresponding year ended 31 March 2025. The gross profit margin was approximately 8.2% for the Review Year, representing a drop of 7.0 percentage points compared to the corresponding year ended 31 March 2025 of approximately 15.2%.

The decrease in gross profit and the reduced gross profit margin were attributed to the higher direct material costs and direct overheads incurred at the initial stage of the newly awarded foundation projects, as well as extra costs for work recovery due to bad weathers during the Review Year.

Management Discussion and Analysis

Other income and other gains

For the Review Year, the other income and other gains of the Group was approximately HK$3.9 million, representing a decrease of approximately HK$4.9 million or 55.9% compared to the corresponding year ended 31 March 2025. The other income and other gains during the Review Year mainly represents the project management fee of approximately HK$0.8 million (2025: approximately HK$4.5 million) and interest income of approximately HK$1.7 million (2025: approximately HK$3.6 million) recognised.

Administrative and other operating expenses

For the Review Year, the administrative and other operating expenses was approximately HK$33.8 million, representing an increase of approximately HK$1.9 million or 6.1% compared to the corresponding year ended 31 March 2025. The increase was due to the increase in directors and staff benefits.

The Group will continue to implement stringent controls over the general expenditure.

Impairment losses on financial assets and contract assets, net

For the Review Year, the impairment losses on financial assets and contract assets, net was approximately HK$0.4 million (2025: approximately HK$9.2 million). This was a result of a decrease in expected credit loss on trade receivables and contract assets.

Net loss

As a result of the aforesaid, a net loss of the Group was approximately HK$14.5 million for the Review Year (2025: approximately HK$5.7 million).

LIQUIDITY, FINANCIAL POSITION AND CAPITAL STRUCTURE

Rights Issue

On 12 December 2025, the Company proposed to implement the rights issue on the basis of one rights share for every three existing shares held by the qualifying shareholders on 8 January 2026, being the record date, at the subscription price of HK$0.14 per rights share (the "**Rights Issue**").

The subscription price represents a discount of approximately 6.7% to the closing price of HK$0.15 per share as quoted on the Stock Exchange on 12 December 2025, being the last trading day for the shares immediately before the release of the announcement of the Company dated 12 December 2025 in relation to, among other things, the Rights Issue. The net price per rights share was approximately HK$0.134. The aggregate nominal value of the rights shares was approximately HK$13,333,333.

The Company intends to apply the net proceeds from the Rights Issue as follows: (i) the acquisition of plant and machinery for the Group, including excavators and air compressors and (ii) the general working capital of the Group. For details of the reasons for and benefits of the Rights Issue, please refer to the announcement of the Company dated 12 December 2025 and the prospectus of the Company dated 9 January 2026.

The Rights Issue was completed on 2 February 2026. As such, 133,333,333 rights shares, with par value of HK$0.10 each, were issued and allotted under the Rights Issue with net proceeds of approximately HK$17.9 million. Reference is made to the announcements of the Company dated 12 December 2025 and 30 January 2026 and the prospectus of the Company dated 9 January 2026. As of 31 March 2026, approximately HK$14.3 million have been utilised as intended. The remaining unutilised balance of approximately HK$3.6 million will be utilised as intended by the second half of 2026.

The breakdown of the utilisation of the net proceeds from the Rights Issue as at 31 March 2026 is as follows:

	Intended use of net Proceeds HK$'000	**Utilised net proceeds up to 31 March 2026** HK$'000	**Unutilised net proceeds up to 31 March 2026** HK$'000
Acquisition of plant and machinery	4,000	372	3,628
General working capital	13,900	13,900	–
Net proceeds from the Rights Issue	17,900	14,272	3,628

Bank balances and lease liabilities

As at 31 March 2026, the Group had total bank balances of approximately HK$74.3 million (2025: approximately HK$85.2 million).

As at 31 March 2026, the Group had current lease liabilities of approximately HK$0.3 million and non-current lease liabilities of approximately HK$0.1 million respectively (2025: current and non-current lease liabilities of approximately HK$0.5 million and approximately HK$0.2 million respectively).

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy. 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 all the time.

GEARING RATIO

As at 31 March 2026, the gearing ratio (calculated as total borrowings (which included lease liabilities) divided by the total equity) was 0.28% (2025: 0.43%).

PLEDGE OF ASSETS

As at 31 March 2026, the Group had approximately HK$5.1 million of bank deposits being pledged as surety bond for faithful performance in accordance to the contract between the Group entity and its customer (2025: approximately HK$5.0 million). For the remaining bank deposits of approximately HK$7.2 million, are pledged as banking facilities for the operations of the Group (2025: approximately HK$2.2 million).

EXPOSURE TO FOREIGN EXCHANGE RATE RISKS

As at 31 March 2026, the Group had approximately HK$21.0 million bank balances denominated in the United States dollar. Since Hong Kong dollar is pegged to United States dollar, the Group's exposure to the currency risk of United States dollar is not material.

Save as disclosed above, the Group only operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar. The Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange rate risk for the Review Year.

Management Discussion and Analysis

CAPITAL EXPENDITURE

During the Review Year, the Group invested approximately HK$4.8 million in the purchase of property, plant and equipment. All these capital expenditures were financed by internal resources and proceeds from the Rights Issue.

CAPITAL COMMITMENTS

As at 31 March 2026, the capital commitments of the Group were approximately HK$0.2 million.

Saved as disclosed above, as at 31 March 2026, the Group did not have any other material capital commitments.

SURETY BONDS AND CONTINGENT LIABILITIES

Certain customers of construction contracts undertaken by the Group require the Group entity to issue guarantees for performance of contracts in the form of surety bonds secured by pledged deposits. The Group entity provided a corporate indemnity to insurance companies which issued such surety bonds.

As at 31 March 2026, the Group has outstanding surety bonds of approximately HK$10.9 million (2025: approximately HK$18.4 million). The surety bonds will be released upon completion of the contracting works.

Saved as disclosed above, as at 31 March 2026, the Group did not have any other material contingent liabilities.

MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Review Year, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

SIGNIFICANT INVESTMENT

During the Review Year, the Group had no significant investment.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of any final dividend for the Review Year.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

The Group did not have any other plans for material investments or capital assets during the Review Year.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2026, the Group employed a total of 50 full-time employees (including executive Directors), as compared to a total of 59 full-time employees as at 31 March 2025. Remuneration is determined with reference to the market terms and the performance, qualifications and experience of the individual employee. In addition to basic salary, performance-linked bonus is offered to those staff with special contributions to the Group, in order to attract and retain capable employees. The total remuneration cost incurred by the Group for the Review Year was approximately HK$46.6 million compared to approximately HK$44.4 million in the corresponding year ended 31 March 2025.

Biographical Details of the Directors and Senior Management

Biographical details of the Directors and senior management are set out as follows:

DIRECTORS

Executive Directors

Mr. WONG Yan Hung (黃仁雄) ("**Mr. YH Wong**"), aged 67, is one of the controlling shareholders of the Company, the chairman of the Board and an executive Director. He joined the Group in June 1995 and is the founder of the Group. He is also a director of each and every wholly-owned subsidiary of the Group.

Mr. YH Wong is responsible for the overall business development as well as financial and strategic planning of the Group. He has more than 30 years of experience in the foundation industry. He is the father of Mr. Tony Wong and Ms. Wong Nga Ling Kitty. For Mr. YH Wong's interest in the shares of the Company (the "**Shares**") within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**"), please refer to the section headed "Directors' Report" in this report.

Mr. WONG Tony Yee Pong (黃義邦) ("**Mr. Tony Wong**"), aged 43, is one of the controlling shareholders, the chief executive officer and an executive Director of the Group. He joined the Group in March 2008. He is also a director of each and every wholly-owned subsidiary of the Group.

Mr. Tony Wong is mainly responsible for the overall management of the business operation as well as project management and supervision. He has more than 10 years of experience in the foundation industry and obtained his degree of Bachelor of Science from Simon Fraser University in Canada in February 2008. He is the son of Mr. YH Wong, and the elder brother of Ms. Wong Nga Ling Kitty. For Mr. Tony Wong's interest in the Shares within the meaning of Part XV of the SFO, please refer to the section headed "Directors' Report" in this report.

Ms. TO Kit Man (杜潔雯) ("**Ms. To**"), aged 56, is an executive Director of the Company and was appointed to the Board with effect from 3 December 2024. She joined the Group in October 2022 and was appointed as the company secretary and an authorised representative of the Company from 30 November 2022.

Ms. To is responsible for overseeing all aspects of corporate governance, ensuring compliance with legal and regulatory requirements, and managing accounting, treasury and tax functions of the Group. She holds a master's degree of finance from Curtin University in Australia. Ms. To is a member of The Hong Kong Institute of Certified Public Accountants and a fellow member of Association of Chartered Certified Accountants. Ms. To has held various audit, accounting and finance positions with over 20 years of experience. Ms. To is an independent non-executive director of JX Energy Ltd. (stock code: 3395.HK) since December 2024.

Ms. WONG Nga Ling Kitty (黃雅玲) ("**Ms. Wong**"), aged 38, was appointed as an executive Director on 30 June 2025. She has extensive experience over project management and operations in foundation industry. From 2017 to early 2025, Ms. Wong served Hop Kee Construction Company Limited, an indirect wholly-owned subsidiary of the Company, as an operations and executive manager. Over the years, she was responsible for the overall functions of project management and operations of the Group. She handled different types of tendering processes and projects. She also focused on maintaining relationship with major stakeholders. Ms. Wong participated and greatly contributed to the implementation and success of projects. She is appointed as operations manager of Hop Kee Construction Company Limited since April 2026.

Ms. Wong holds a bachelor's degree in science awarded by The University of British Columbia, Vancouver, Canada. She is responsible for effectiveness of project management for the Group. Ms. Wong is the daughter of Mr. YH Wong, and the younger sister of Mr. Tony Wong.

Biographical Details of the Directors and Senior Management

Independent non-executive Directors

Mr. Chui Gary Wing Yue (徐永裕) ("**Mr. Chui**"), aged 50, has over 25 years of experience in accounting, financial management, taxation and treasury. Throughout his career, he has held various positions ranging from accounting roles to senior financial management and controller positions within several corporate entities. In particular, he served at a subsidiary of a Hong Kong-listed company from 2005 to 2015, with his last position as a deputy financial controller. Subsequently, Mr. Chui served as the Group's financial controller and the Company's company secretary from August 2015 to November 2022. Currently, Mr. Chui is the financial controller of a private company principally engaged in the supply of construction materials.

Mr. Chui holds a degree of Bachelor of Commerce in accounting and finance from the University of New South Wales in Australia, a degree of Master of Finance from the Jinan University (暨南大學), and a certificate in NEC: ECC Project Manager Accreditation in March 2025. In addition, he is a certified practising accountant of CPA Australia and Hong Kong Institute of Certified Public Accountants.

For Mr. Chui's interest in the Shares within the meaning of Part XV of the SFO, please refer to the section headed "Directors' Report" in this report.

Mr. LEUNG Wai Lim (梁唯廉) ("**Mr. Leung**"), aged 53, was appointed as the independent non-executive Director in September 2016. He is (i) a member of small and medium firms committee appointed by the Law Society of Hong Kong since September 2024; (ii) a chairman of the Appeal Tribunal Panel (Building Ordinance) appointed by Secretary for Development of HKSAR since December 2024; (iii) a chairman of the Transport Tribunals' Panel appointed by Secretary for Transport and Housing since 2023 (and a member thereof from 2017 to 2023); (iv) a member of the Transportation and Logistics Committee (Co-option) of The Law Society of Hong Kong since 2018; (v) a member of Patient Complaint Committee of the Prince Philip Dental Hospital since 2021; and (vi) a member of Admiralty Court Users' Committee appointed by Chief Justice of HKSAR since 2013. Mr. Leung was a member appointed to the Panel of Adjudicators (Control of Obscene and Indecent Articles) (established under the Control of Obscene and Indecent Articles Ordinance (Chapter 390 of the Laws of Hong Kong)) (2014-2020) and a member of the Board of Review (Inland Revenue Ordinance) in Hong Kong (2015-2020).

Mr. Leung has over 20 years of law related working experience. He was employed by DLA Piper from February 2001 to April 2009 at which his last position was partner. He was then employed by Eversheds from May 2009 to April 2015 at which his last position was partner. He is a partner of Howse Williams (previous known as Howse Williams Bowers) since May 2015. Mr. Leung obtained a bachelor's degree in law from University of Wales in United Kingdom in July 1995. He was admitted to practise law as a solicitor in Hong Kong in August 1999 and in England and Wales in April 2001. He was an independent non-executive director of China New Economy Fund Limited (currently known as CAI Corp) (stock code: 0080.HK) from October 2018 until June 2023 and Yield Go Holdings Ltd. (currently known as Metaspacex Limited) (stock code: 1796.HK) from December 2018 until January 2024. Mr. Leung has been an independent non-executive director of Best Linking Group Holdings Limited (stock code: 9882.HK) since April 2025.

Mr. TAM Wai Tak Victor (譚偉德) ("**Mr. Tam**"), aged 48, was appointed as the independent non-executive Director in September 2016. He graduated with a degree of Bachelor of Arts in accounting & finance (first class honours) from the University of Glamorgan (now known as the University of South Wales) in June 2001. He was admitted as a fellow member of the Association of Chartered Certified Accountants in February 2010 and a member of the Hong Kong Institute of Certified Public Accountants in July 2005.

Mr. Tam has approximately 20 years of experience in the field of auditing, accounting and financial management. He was an independent non-executive director of (i) Twintek Investment Holdings Limited (stock code: 6182.HK) from December 2017 to January 2026; (ii) Cool Link (Holdings) Limited (stock code: 8491.HK) from August 2017 to May 2019; and (iii) GT Steel Construction Group Limited (now known as Plateau Treasures Limited) (stock code: 8402.HK) from June 2017 to May 2023.

Saved as disclosed above, there was no change to any information required to be disclosed in relation to any Director pursuant to Rule 13.51(2)(a) to (e) and (g) of the Listing Rules during the Review Year. The Board is not aware of any information that ought to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters that ought to be brought to the attention of the shareholders of the Company.

Biographical Details of the Directors and Senior Management

Senior Management

Mr. SHUM Kwo Foo (岑果夫) ("**Mr. Shum**"), aged 77, is the technical director and joined the Group in August 2008. He is mainly responsible for supervising and providing technical support to the performance of foundation works. He is also a director of Hop Kee Construction Company Limited.

Mr. Shum has over 40 years of experience in the construction industry and obtained a degree of Bachelor of Science in engineering from The University of Hong Kong in October 1971. He was admitted as a member of the Institution of Structural Engineer in June 1977, a member of the Hong Kong Institution of Engineers in March 1979 and a member of the Institution of Civil Engineer in June 1981. He is included in the Authorised Person's Register (List of Engineers), Structural Engineers' Register and Geotechnical Engineers' Register kept under section 3 of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong). He is also a registered professional engineer registered with the Engineers Registration Board under the Engineers Registration Ordinance (Chapter 409 of the Laws of Hong Kong).

Corporate Governance Report

CORPORATE GOVERNANCE CULTURE AND STRATEGY

The Group is committed to maintaining good corporate governance to safeguard the interest of shareholders and to achieve effective accountability because the Group believes that is the best way to maximise our shareholder's value. The Board periodically reviews the daily corporate governance practices and procedures of the Group and procures the Group to strictly comply with relevant laws and regulations, and the rules and guidelines of regulatory bodies.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted and applied the principles as set out in "Part 2 — Principles of good corporate governance, code provisions and recommended best practices" of the corporate governance code (the "**CG code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). To the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG code during the Review Year.

BUSINESS STRATEGIES AND CORPORATE CULTURE

The Board has established the Company's mission and values to integrate environmental protection , social responsibility and sustainable growth in business strategies to provide environmental friendly, high efficiency and safe professional services to clients.

A healthy corporate culture across the Group is vital for the Company to achieve its mission and value. It is the Board's role to foster the Group's culture with integrity and accountability to guide the behaviours of its employees, and ensure that the Company's mission, values and business strategies are aligned to it.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the required Model Code's standard during the Review Year.

THE BOARD

Composition

As at the date of this report, the Board is chaired by Mr. Wong Yan Hung and comprised of seven members including four executive Directors and three independent non-executive Directors.

Subsequent to the date of this report, on 6 July 2026, Mr. Law Ka Ho resigned as an independent non-executive Director, and the Company appointed Mr. Chui Gary Wing Yue as an independent non-executive Director on the same date. Further details are set out in the Company's announcement dated 6 July 2026.

Biographical details of the Directors are set out in the section headed "Biographical Details of the Directors and Senior Management" in this report. Save for Mr. Wong Yan Hung being the father of Mr. Wong Tony Yee Pong and Ms. Wong Nga Ling Kitty, there are no financial, business, family or other material/relevant relationships among members of the Board.

The list of Directors with their role and function is available on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.swgrph.com).

Executive Directors

Mr. Wong Yan Hung *(Chairman)*
Mr. Wong Tony Yee Pong *(Chief executive officer)*
Ms. To Kit Man
Ms. Wong Nga Ling Kitty

Independent Non-executive Directors

Mr. Chui Gary Wing Yue
Mr. Leung Wai Lim
Mr. Tam Wai Tak Victor

Mr. Chui Gary Wing Yue, who was appointed as an independent non-executive Director on 6 July 2026, obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 6 July 2026 and has confirmed that he understood his obligations as a Director.

The Board has adopted four policies including board diversity policy (the "**Board Diversity Policy**"), nomination policy (the "**Nomination Policy**"), dividend policy (the "**Dividend Policy**") and anti-corruption policy (the "**Anti-Corruption Policy**").

(i) The Board Diversity Policy which sets out the approach to achieve diversity on the Board is summarised as follows:

- the Company recognises and embraces the benefits of having a diverse Board to enhance the quality and effectiveness of the Board;
- in designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- all Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board;
- the selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board; and
- the nomination committee of the Board will report on the Board's composition under diversified perspectives, monitor the implementation of the Board Diversity Policy, review the Nomination Policy and the Board Diversity Policy to ensure effectiveness and recommend for any revisions to the Board for consideration and approval.

Regarding the Board's current composition, the Board comprises five male directors and two female directors, in accordance with the requirement on gender diversity of Board as stipulated in the CG Code.

The Company will also ensure that there is gender diversity when recruiting staff at mid to senior levels so that it will have a pipeline of female senior management and potential successors to the Board going forward. Gender factor will be taken into consideration in staff recruitment to strike, to the maximum extent possible, a gender balance, but there are certain limitations for female participation in construction sites, which typically involves physically demanding works. As at 31 March 2026, our workforce (including senior management) consisted of 44 male and 6 female employees, representing approximately 88% and 12% of the total workforce, respectively.

(ii) The Nomination Policy which sets out the criteria and procedures for the selection, appointment/re-appointment of Directors is summarised as follows:

- the selection of candidates or re-appointment of any existing member(s) of the Board will be based on the following criteria:

  (a) reputation for integrity;

  (b) accomplishment, experience and reputation in the industry;

  (c) commitment to devote sufficient time and relevant interest;

  (d) diversity perspectives as mentioned in the Board Diversity Policy;

  (e) ability to assist and support the management of the Group;

  (f) independence for the independent non-executive Directors as defined in the Listing Rules; and

  (g) any other relevant factors as may be determined by the Board from time to time.

- The nomination and selection procedures are:

  (a) the Board shall review, from time to time the structure, size, and diversity of the Board;

  (b) proposed candidate(s) will be asked to submit the necessary personal information in order for the Board to assess the suitability of the candidate(s) based on the above listed criteria;

  (c) when any existing member(s) of the Board is subject to re-selection according the articles of association of the Company, the Board shall apply the above listed criteria to the proposed candidate(s) on his/her/their re-appointment; and

  (d) the Board shall ensure the procedures of the nomination, selection and appointment/re-appointment to comply with the articles of association of the Company, the law of the Cayman Islands and the Listing Rules.

(iii) The Dividend Policy which sets out the criteria and principals which the Board considers if the dividends should be paid to shareholders of the Company in according to the Dividend Policy is summarised as follows:

- The Board shall consider the following factors regarding the recommending/determining the frequency, amount and form of any dividend in any financial year/period:

  (a) the Group's operating results, actual and expected financial performance;

  (b) the retained earnings and distributable reserves of the Company;

  (c) the Group's cash flow and liquidity position, capital requirements and future expenditure plans;

  (d) the Group's business strategies, including future cash commitments and investment needs to sustain the long-term growth aspect of the business;

  (e) general economic conditions, business cycle of Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and

  (f) any other factor that the Board deems appropriate and relevant.

The dividend payout ratio will vary from year to year. There is no assurance that dividends will be paid in any particular amount for any given period and are subject to the Board's determination that the same would be in the best interests of the Group and the shareholders of the Company as a whole.

(iv) The Group prohibits all forms of bribery and corruption. During the Review Year, the Board establishes a formal and transparent policy for all their employees. The employees are prohibited from soliciting, accepting or offering any bribe in conducting the Group's business or affairs, whether in Hong Kong or elsewhere. In conducting all business or affairs of the Group, they must comply with the Prevention of Bribery Ordinance (Cap. 201 of Laws of Hong Kong).

Employees are required to adhere to this policy, all local laws and regulation when conducting the Group's business, and also those in other jurisdictions when conducting business there or where applicable.

A channel for reporting suspicious bribery and corruption is provided to employees as well as third parties acting on behalf of the Group (e.g. agents, suppliers, consultants, contractors, etc.). Directors and senior management of the Group are responsible for ensuring the effective implementation and in particular, the monitoring and investigation of any material fraudulent or bribery activities committee within the Group.

Corporate Governance Report

Chairman and Chief Executive Officer

To ensure a balance of power and authority, the position of the chairman and chief executive officer of the Company are held by different individuals. Mr. Wong Yan Hung is the chairman and Mr. Wong Tony Yee Pong is the chief executive officer. The primary role of the chairman is to provide leadership for the Board and to ensure it works effectively in discharging its responsibilities. The chairman is also responsible for ensuring good corporate governance practices and procedures are established. The chief executive officer is responsible for the day-to-day management of the Group's business.

Independent Non-executive Directors

The independent non-executive Directors give the Board the benefit of their skills, expertise, various background and experiences. Through active participation in Board meetings and servicing on various Board committees, the independent non-executive Directors bring in independent judgement to bear issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. They also make valuable contributions to the effective direction and strategic decision-making of the Group.

During the Review Year up to and including the date of this report, the Company had three independent non-executive Directors, representing more than one-third of the Board, in compliance with Rules 3.10(1) and 3.10A of the Listing Rules. Two of the independent non-executive Directors, namely Mr. Law Ka Ho (who resigned on 6 July 2026) and Mr. Tam Wai Tak Victor, each possess professional accounting qualifications, or accounting or related financial management expertise, in compliance with Rule 3.10(2) of the Listing Rules. Immediately following Mr. Law Ka Ho's resignation, which took effect on 6 July 2026, the Company appointed Mr. Chui Gary Wing Yue as an independent non-executive Director, who also possesses accounting qualifications and holds accounting and financial management expertise.

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

Appointment, Re-election and Removal of Directors

Each of the executive and independent non-executive Directors has entered into a service agreement or a letter of appointment (as the case may be) with the Company for a specific term and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the second amended and restated articles of association approved by the annual general meeting held on 7 September 2023 (the "**Second Restated Articles**").

In accordance with article 108 of the Second Restated Articles, at each annual general meeting, one third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

In accordance with article 112 of the Second Restated Articles, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at such annual general meeting; and any Director appointed under this article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

As such, in accordance with articles 108 and 112 of the Second Restated Articles, Mr. Chui Gary Wing Yue, Mr. Leung Wai Lim and Mr. Tam Wai Tak Victor will retire from office as Directors at the forthcoming annual general meeting of the Company, being eligible, and offer themselves for re-election.

Pursuant to the code provision B.2.3 of the CG Code, any further appointment of an independent non-executive Director serving more than nine years should be subject to a separate resolution to be approved by the shareholders of the Company. As of the date of this report, each of Mr. Leung Wai Lim and Mr. Tam Wai Tak Victor has served as an independent non-executive Director for more than nine years. The Board has assessed and reviewed their independence under Rule 3.13 of the Listing Rules and is of the view that they will continue to make their independent judgements in all related matters for the benefit of the Company and the shareholders of the Company as a whole.

Role and Responsibilities

The Board is responsible for the overall management of the Group and all day-to-day operations and management of the Company's business has been delegated to management under the leadership of the chief executive officer of the Company.

The principal roles of the Board are:

- setting long term objectives and strategies;
- approving major policies and guidelines;
- preparing and approving financial statements, annual report and interim report;
- approving major capital expenditures, acquisition and disposals;
- approving connected transactions;
- establishing Board committees;
- approving material borrowings and expenditures;
- reviewing and monitoring of risk management and internal control;
- discussing the need of establishing the internal audit department; and
- declaring and recommending the payments of dividends.

The Board is also responsible for the corporate governance functions of the Company, which includes:

- reviewing the Company's policies and practices on corporate governance;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and
- reviewing the Company's compliance with the CG code and disclosure in the corporate governance report.

Directors are required to declare their interest (if any) in the matters to be considered at the Board meetings in accordance with the Second Restated Articles. Should a potential conflict of interest involving a substantial shareholder of the Company or a Director arise, the matter will be dealt with a physical meeting rather than by written resolution. Independent non-executive Directors with no conflict of interest will be present at meetings dealing with such conflict issues. Pursuant to the Second Restated Articles, a Director who is considered to be materially interested in the matter shall abstain from voting on the resolution approving such matter.

Directors' Insurance

The Company has arranged appropriate insurance coverage for all Directors in relation to the discharge of their responsibilities.

Directors' Training and Professional Development

The Company, from time to time, provides in-house trainings for the Directors in the form of seminars, workshops and/or reading relevant material on the latest development of applicable laws, rules and regulations, management, financial and business issues to develop and refresh their knowledge and skills. The Company also provides comprehensive, formal and tailored induction for newly appointed Directors. The above training costs are borne by the Company.

The Directors are required to provide the Company with details of the training's records. Based on those training's record, the Directors received the following training during the Review Year:

Directors:	Type of training Reading and/or on-line studying	 Seminars/Webinars and/or workshops
Mr. Wong Yan Hung	✓	✓
Mr. Wong Tony Yee Pong	✓	✓
Ms. To Kit Man	✓	✓
Ms. Wong Nga Ling Kitty	✓	✓
Mr. Law Ka Ho (resigned on 6 July 2026)	✓	✓
Mr. Leung Wai Lim	✓	✓
Mr. Tam Wai Tak Victor	✓	✓
Mr. Chui Gary Wing Yue (appointed on 6 July 2026)	N/A	N/A

Board Process

The Company has in place clear board process. Regular Board meetings are scheduled at least four times per year. Directors receive at least 14 days' prior written notice of regular Board meetings and agenda. The Board papers, including supporting analysis and relevant background information, are normally sent to all Directors at least 3 days before the Board meeting. For other Board meetings, Directors are given notice as soon as possible in the circumstances. Directors may include any matters they wish to discuss in the agenda. Directors may attend the meeting in person, by phone or by other communication means, provided that all persons participating in the meeting are capable of hearing and being heard by each other.

Other than regular Board meetings, the Chairman also meets with independent non-executive Directors without the presence of executive Directors.

Minutes of the Board and committee meetings are prepared and kept by the company secretary of the Company, and are open for inspection by Directors upon request. Draft and final version of minutes of each Board meeting are sent to all Directors for their comments and records respectively within a reasonable time. All Directors have access to the advice and services of the company secretary, and are allowed to seek external professional advice if needed.

All Directors have confirmed that they have given sufficient time and attention to the affairs of the Group during the Review Year.

Corporate Governance Report

Shareholders' Meeting

At the last annual general meeting of the Company held on Thursday, 28 August 2025, the Chairman of the Board and all Board members as well as the external auditor were present to communicate with shareholders. Procedures for poll voting on the proposed resolutions were explained at the meeting by the company secretary. The Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, acted as scrutineers to ensure the votes were properly counted and the poll results were published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.swgrph.com).

Except for the annual general meeting, the Company did not convene any other shareholders' meeting during the Review Year.

Board Meetings

During the Review Year, the Board held five meetings. The attendance record of the Board meetings and the annual general meeting are set out below:

	Board meetings attended/ Eligible to attend	Annual general meeting attended/ Eligible to attend
Executive Directors:		
Mr. Wong Yan Hung	5/5	1/1
Mr. Wong Tony Yee Pong	5/5	1/1
Mr. Lai Kwok Fai (Resigned on 27 October 2025)	2/2	1/1
Ms. To Kit Man	5/5	1/1
Ms. Wong Nga Ling Kitty	3/3	1/1
Independent Non-executive Directors:		
Mr. Law Ka Ho (Resigned on 6 July 2026, after date of this report)	5/5	1/1
Mr. Leung Wai Lim	5/5	1/1
Mr. Tam Wai Tak Victor	5/5	1/1

BOARD COMMITTEES

To facilitate the work of the Board, the Board has established three Board committees to oversee specific aspects of the Company's affairs, namely audit committee (the "**Audit Committee**"), nomination committee (the "**Nomination Committee**") and remuneration committee (the "**Remuneration Committee**"). Each Board committee has its own terms of reference relating to its authority and duties, which have been approved by the Board and are reviewed periodically. The terms of reference of each committee are available on the websites of the Company and the Stock Exchange.

Each Board committee has been provided with sufficient resources to discharge its duties and, upon reasonable request, is able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit Committee

The Company established an Audit Committee on 3 September 2016 with written terms of reference in compliance with the CG code. The primary duties of the Audit Committee are to review the financial information of the Group, oversee the Group's financial report system, risk management and internal control procedures, provide advice and comments to the Board, and monitor the independence and objective of the external auditor and perform the corporate governance function.

During the Review Year up to and including the date of this report, the Audit Committee consisted of three members who are all independent non-executive Directors, namely, Mr. Tam Wai Tak Victor, Mr. Law Ka Ho (who resigned on 6 July 2026) and Mr. Leung Wai Lim. Mr. Tam Wai Tak Victor was the chairman of the Audit Committee. The Audit Committee has reviewed the consolidated financial statements for the Review Year. The Audit Committee was of the opinion that the preparation of such results complied with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made.

Subsequent to the date of this report, on 6 July 2026, the Company appointed Mr. Chui Gary Wing Yue as a member of the Audit Committee immediately following Mr. Law Ka Ho's resignation.

During the Review Year, the Audit Committee held two meetings. The attendance record of the Audit Committee is set out below:

Name of committee members	Meetings attended/ Eligible to attend
Mr. Tam Wai Tak Victor *(Chairman)*	2/2
Mr. Law Ka Ho (Resigned on 6 July 2026)	2/2
Mr. Leung Wai Lim	2/2
Mr. Chui Gary Wing Yue (Appointed on 6 July 2026)	N/A

The following is a summary of the major work performed by the Audit Committee:

- reviewed the interim results of the Group;
- reviewed the annual results of the Group;
- reviewed the Group's financial information and financial reporting system;
- reviewed the Company's auditors' independence and objectivity;
- made recommendations to the Board on the re-appointment of the Company's external auditors;
- approved the remuneration and terms of engagement of the Company's external auditors;
- reviewed the Company's external auditors' management letter, significant findings and recommendations;
- reviewed the continuing connected transactions and commented on the fairness and reasonableness of the transactions;
- reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- reviewed and discussed the reports from the Company's external professional firm with the management;
- reviewed the Group's internal control system and discussed the relevant issues including environmental, social and governance (the "**ESG**"), financial, operational and compliance controls and risks management functions;
- reviewed the Group's ESG performance and reporting;
- reviewed the terms of reference of the Audit Committee and made recommendation to the Board for approval;

- reviewed the Company's compliance with the CG code and disclosure in the corporate governance report; and
- met with the Company's external auditors, in the absence of the management.

There had been no disagreement between the Board and the Audit Committee during the Review Year and up to this date of this report.

Nomination Committee

The Company established the Nomination Committee on 3 September 2016 with written terms of reference in compliance with the CG Code. The primary duties of the Nomination Committee are to review the structure, size, composition and diversity of the Board, access the independence of the independent non-executive Directors and make recommendations to the Board regarding appointment of Board members and senior management of the Group.

During the Review Year up to and including the date of this report, the Nomination Committee consisted of two executive Directors, namely Mr. Wong Yan Hung and Ms. Wong Nga Ling Kitty, and three independent non-executive Directors, namely Mr. Law Ka Ho (who resigned on 6 July 2026), Mr. Tam Wai Tak Victor and Mr. Leung Wai Lim. Mr. Wong Yan Hung was the chairman of the Nomination Committee.

Subsequent to the date of this report, on 6 July 2026, the Company appointed Mr. Chui Gary Wing Yue as a member of the Nomination Committee immediately following Mr. Law Ka Ho's resignation.

During the Review Year, the Nomination Committee held two meetings. The attendance record of the Nomination Committee is set out below:

Name of committee members	Meeting attended/ Eligible to attend
Mr. Wong Yan Hung *(Chairman)*	2/2
Ms. Wong Nga Ling Kitty	1/1
Mr. Law Ka Ho (Resigned on 6 July 2026)	2/2
Mr. Tam Wai Tak Victor	2/2
Mr. Leung Wai Lim	1/1
Mr. Chui Gary Wing Yue (Appointed on 6 July 2026)	N/A

The following is a summary of the major work performed by the Nomination Committee:

- reviewed the term of reference of the Nomination Committee and made recommendation to the Board for approval;
- reviewed the structure, size and composition and diversity of the Board;
- considered the latest update on board diversity and director independence;
- assessed and confirmed the independence of the independent non-executive Directors;
- reviewed the Nomination Policy and the Board Diversity Policy and made recommendation to the Board for approval; and
- recommended the re-election of the retiring Directors.

The Nomination Committee had reviewed the Board Diversity Policy and reported on the Board's composition under diversified perspectives and had monitored the implementation of the Board Diversity Policy. In addition, the Nomination Committee has made endeavors to ensure the Company's compliance with (i) the requirement that the Board includes at least one director of a different gender; and (ii) the requirement that the Nomination Committee includes at least one director of a different gender under the CG Code.

Remuneration Committee

The Company established the Remuneration Committee on 3 September 2016 with written terms of reference in compliance with the CG code. The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management, and make recommendations on the management remuneration proposals with reference to the corporate goals and objectives of the Board.

During the Review Year up to and including the date of this report, the Remuneration Committee consisted of an executive Director, namely Mr. Wong Tony Yee Pong, and two independent non-executive Directors, namely Mr. Law Ka Ho (who resigned on 6 July 2026) and Mr. Leung Wai Lim. Mr. Law Ka Ho was the chairman of the Remuneration Committee.

Subsequent to the date of this report, on 6 July 2026, the Company appointed Mr. Chui Gary Wing Yue as the chairman of the Remuneration Committee immediately following Mr. Law Ka Ho's resignation.

The Board is ultimately responsible for the Company's Remuneration Policy. The Remuneration Committee has been delegated powers to recommend the remuneration policy and structure of all Directors and senior management whilst ensuring no Director is involved deciding his own remuneration.

In order to make recommendations to the Board on the remuneration packages of all Directors and senior management, the Remuneration Committee is required to follow the Remuneration Policy of the Company, that among others, the remuneration should reflect performance and achievements with a view to attracting, motivating and retaining high performing individuals. All Directors shall be entitled to receive directors' fee as shall from time to time be determined by the Company in general meeting or, if authorised by shareholders, by the Board. The remuneration of Directors and senior management for the year were determined after reviewing the pay levels of their peers in corporations of similar size and industry and having taken into account the prevailing market practice, workload, scale and complexity of the Company's business and the responsibility involved.

During the Review Year, the remuneration of senior management is listed as below by band:

Band of remuneration (HK$)	No. of person
HK$1,000,001 – HK$1,500,000	1

Further details of the remuneration of the Directors and the 5 highest paid employees are set out in Note 9 to the consolidated financial statements.

During the Review Year, the Remuneration Committee held two meetings. The attendance record of the Remuneration Committee is set out below:

Name of committee members	Meetings attended/ Eligible to attend
Mr. Law Ka Ho *(Chairman)* (Resigned on 6 July 2026)	2/2
Mr. Leung Wai Lim	2/2
Mr. Wong Tony Yee Pong	2/2
Mr. Chui Gary Wing Yue (Appointed on 6 July 2026)	N/A

The following is a summary of the major work performed by the Remuneration Committee:

- reviewed the term of reference of the Remuneration Committee and made recommendation to the Board for approval;
- considered the remuneration paid to Directors and senior management with reference to their responsibilities, workload, the time devoted and the performance of the Group, as well as remuneration paid by other comparable listed companies;

- reviewed the remuneration policy and structures for Directors and senior management of the Group;

- reviewed and made recommendations on the management remuneration proposals with reference to the corporate goals and objectives of the Board; and

- made recommendations to the Board on the remuneration of independent non-executive Directors.

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group. The Directors also acknowledge their responsibility to ensure the consolidated financial statements are published in a timely manner. Directors are regularly provided with monthly updates on the Company's businesses, potential investments, financial objectives, plans and actions.

The Directors are not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The Auditors' reporting responsibilities are set out in the section headed "Independent Auditors' Report" in this report.

AUDITORS' REMUNERATION

For the Review Year, the fee paid/payable to HLB Hodgson Impey Cheng Limited by the Group is set out as follows:

	HK$
Audit services	720,000
Non-audit services	120,000

The amount of fee incurred for the non-audit services is mainly the financial information review fee. The Audit Committee was satisfied that non-audit services for the Review Year did not affect the independence of the auditors.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the Company's risk management, internal control systems, legal and regulatory and compliance, and for reviewing their effectiveness.

In meeting its responsibility, the Board, with due regard to the Group's risk appetite, evaluates and determines the nature and extent of risks (including ESG risks) that the Group is willing to accept in pursuit of its business objectives. The Group has adopted a "3 lines of defence" model to identify, analyse, evaluate, mitigate and handle risks. At the first line of defence, the departmental heads of the Group have to complete a risk management and internal control self-assessment questionnaires, identify and evaluate those significant risks and confirm to the management that appropriate internal control policies and procedures have been established and properly complied with. At the second line of defence, the management provides independent oversight of the risk management activities of the first line of defence. It ensures that risks are within the Group's risks capacity and that the control of the first line of defence is effective. At the third line of defence, the Audit Committee and the Board with the advice and opinions from an external professional party conduct a review of the Company's risk management and internal control systems on an annual basis and ensure that the first and second lines of defence are performed effectively. The management then reviewed the findings and summarised all material issues to the Board and Audit Committee annually.

The Group has established guidelines and procedures for the approval and control of expenditures, to ensure the reliability of the financial reporting, effectiveness and efficiency of operation and the compliance with applicable laws and regulations. Whilst these guidelines and procedures are designed to identify and manage risks that could adversely impact the achievement of the Group's business objectives, they do not provide absolute assurance against material misstatement, errors, losses, fraud or non-compliance.

Corporate Governance Report

The Group has defined and approved anti-corruption policy during the Review Year. Our established whistle blowing procedure is to provide a reporting channel to employees of the Group, in confidence, to raise concerns about possible irregularities or frauds in financial reporting, internal controls or other matters to the Audit Committee.

The Group recognises that good risk management is essential for the long-term development of the Group's business. Management is responsible for establishing, implementing, reviewing and evaluating the soundness and effectiveness of the internal control system underpinning the risk management framework. The management has formulated the risk management and control framework. All employees are committed to implementing the risk management framework into daily operation.

Although the Company does not have an internal audit function, the Board has put in place adequate measures to perform the internal audit function at different aspects of the Group. The Group has engaged an external professional party to review the effectiveness and efficiency of the Group's risk management and internal control systems in relation to the financial, operational and compliance controls, and the results were summarised and discussed with the Audit Committee and the Board. The Audit Committee and the Board are satisfied with the effectiveness and adequacy of the risk management and internal control systems of the Group.

INSIDE INFORMATION POLICY

The Company has established policy for ensuring that inside information is disseminated to the public in an equal and timely manner in accordance with applicable laws and regulations. Procedures such as limit access to inside information to those who need to know and requiring external parties to execute confidentiality agreement have been implemented by the Company to guard against mishandling of inside information. The Company also reminds those relevant personnel and other professional parties to preserve confidentiality of the inside information until it is publicly disclosed.

COMPANY SECRETARY

The Board has appointed Ms. To Kit Man ("**Ms. To**") as the company secretary (the "**Company Secretary**") of the Company, who is a full-time employee of the Company and responsible for facilitating the Board process, as well as communications among the Directors, shareholders and the management. Ms. To has confirmed that for the Review Year, she has taken no less than 15 hours of professional training to upgrade her skills and knowledge. The biography of Ms. To is set out in the section headed "Biographical Details of the Directors and Senior Management" in this report.

The appointment and removal of the Company Secretary is subject to Board approval. Whilst the Company Secretary reports to the Chairman, and all members of the Board have access to Company Secretary's advice and service. The Company Secretary has day-to-day knowledge of the Group's affairs.

SHAREHOLDERS' RIGHTS

The Company has only one class of Shares. All Shares have the same voting rights and are entitled to all dividends declared. The right of the shareholders are set in, among others, the Second Restated Articles and the Companies Law of Cayman Islands.

Procedures for Convening General Meetings by Shareholders

Pursuant to article 64 of the Second Restated Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting.

Extraordinary general meetings shall also be convened on the requisition of one or more shareholder holding, at the date of deposit of requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings.

Such requisition shall be made in writing to the Board or the Company Secretary by mail at Flat A, 7th Floor, Sai Wan Ho Plaza, 68 Shaukeiwan Road, Hong Kong for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisition(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.

Procedures for Putting Forward Proposals at Shareholders' Meeting

Shareholders are requested to follow article 64 of the Second Restated Articles for including a resolution at an extraordinary general meeting. The requirements and procedures are set out above in the paragraph headed "Procedures for Convening General Meetings by Shareholders".

Pursuant to article 113 of the Second Restated Articles, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodgment of the notices required will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days.

Procedures by which Enquiries may be put to the Board

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationship. Shareholders are welcomed to send their enquiries to the Board by post to the principal place of business in Hong Kong set out in the section headed "Corporation Information" in this report or by email at info@swgrph.com.

INVESTOR RELATIONS

The Board strives to maintain on-going dialogue with shareholders and the investment community, the Company has established a shareholders communication policy to set out the Company's procedures in providing the shareholders and investment community with ready, equal and timely access to balanced and understandable information about the Company.

Latest information on the Group including, but not limited to annual and interim reports, circulars, announcements and notices of annual general meetings are updated on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.swgrph.com).

In addition, the Company regards the annual general meeting as an important event as it provides an opportunity for direct communication between the Board and its shareholders. Shareholders are encouraged to attend the annual general meeting, where all Board members and external auditors are available to answer questions on the Group's business.

The annual general meeting will be held on Thursday, 10 September 2026, the notice of which shall be sent to the shareholders of the Company at least 21 days prior to the meeting.

Environmental, Social and Governance Report

FOREWORD

Amid the continuing global momentum towards sustainable development, Environmental, Social and Governance ("**ESG**") considerations have become increasingly important to international organisations, policymakers, investors and other stakeholders. As a major financial centre in the Asia-Pacific region and globally, Hong Kong continues to actively promote ESG development and sustainable corporate practices. As a company listed on the Hong Kong Stock Exchange (the "**Stock Exchange**" or "**HKEX**"), the Group places strong emphasis on the environmental and social impacts arising from its operations and is committed to maintaining a sound and compliant corporate governance framework. The Group also strictly complies with the disclosure requirements set out in Appendix C2 Environmental, Social and Governance Reporting Code (the "**ESG Reporting Code**") of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

Reporting Scope and Review Year

The Group is a Hong Kong foundation contractor specialising in ELS works, socketed H-piling and mini-piling works, and pile caps construction works. The Group's principal areas of environmental and social impact mainly arise from its construction sites, office operations and community investment initiatives undertaken as part of its corporate social responsibilities. In determining the reporting scope, material ESG topics and relevant disclosures, the Group follows the requirements and reporting principles set out in the ESG Reporting Code under Appendix C2 of the Listing Rules.

Based on the above reporting principles, the Board is pleased to present this Environmental, Social and Governance Report (the "**ESG Report**"), which outlines the Group's ESG policies, initiatives and performance for the year ended 31 March 2026 (the "**Review Year**" or "**FY2026**"), with comparative data for the year ended 31 March 2025 (the "**Previous Year**" or "**FY2025**") where applicable.

A Message from the Board

The Board recognises that effective ESG management is essential to the long-term sustainability and resilience of the Group's business, and remains committed to maintaining high standards of ESG practices across the Group's operations. By integrating ESG considerations into the Group's business strategy and operational decision-making, we not only enhance corporate governance standards but also support sustainable value creation for shareholders and stakeholders.

The Board is responsible for overseeing the Group's ESG-related matters, including ESG strategies, policies, risks, opportunities, performance and disclosures. To support the effective implementation of ESG initiatives, the Group has established an ESG working team comprising senior management and relevant personnel from different operational functions. The ESG working team assists the Board in identifying, evaluating and monitoring ESG-related issues and risks, collecting relevant ESG data, implementing ESG measures and reviewing the effectiveness of ESG initiatives on an ongoing basis. The ESG working team regularly reports to the Board regarding ESG performance, material ESG matters and progress towards ESG-related goals and targets.

During the Review Year, the Board continued to review and assess ESG-related risks and opportunities relevant to the Group's business operations and industry characteristics. Through internal discussions and stakeholder communication, the Group evaluated and prioritised material ESG issues based on their significance to the Group's operations, stakeholders' concerns and potential business impacts. As a foundation contractor operating primarily in Hong Kong, the Group recognises that environmental management, occupational health and safety, labour practices and business integrity remain key ESG priorities. The Group continues to focus on managing energy consumption, emissions and waste generation at construction sites, while maintaining stringent workplace safety standards for employees and workers.

The Board also reviews the progress and effectiveness of the Group's ESG-related objectives and measures on a regular basis to ensure alignment with the Group's operational needs and long-term development strategy. During the Review Year, the Group continued to promote environmental awareness within its operations, strengthen occupational health and safety management measures, and encourage responsible business practices across its business activities. The Board will continue to monitor the evolving ESG regulatory landscape and market expectations, and enhance the Group's ESG governance and sustainability performance where appropriate.

In addition to operational sustainability, the Group remains committed to contributing to the local community through charitable donations and community support initiatives, with the aim of creating long-term positive social value.

After careful review, the Board confirms that this ESG Report complies with the requirements set out in Appendix C2 Environmental, Social and Governance Reporting Code of the Listing Rules and fairly presents the Group's ESG performance and related disclosures for the Review Year.

Basis of Preparation

The ESG Report is prepared in accordance with the ESG Reporting Guide to disclose and explain the significant actions and initiatives undertaken by the Group in relation to ESG throughout the Review Year.

When preparing the ESG Report, the Group adhered to the reporting principles under the ESG Reporting Guide, which are stated below:

Materiality	By communicating with its stakeholders, the Group conducted a materiality assessment to identify the ESG-related issues to be included in the ESG Report.
Quantitative	The key performance data were collected from the Group's internal documentation, while the calculation methodologies followed the ESG Reporting Guide. When assumptions and other tools are used for the reporting, they have been disclosed in the relevant sections of the ESG Report.
Balance	By collecting data from various departments and involving multiple personnel in preparing the ESG Report, the Group ensures the Report's objectivity and fairness. The Group is confident that the ESG Report provides an unbiased picture of its performance.
Consistency	Methodologies adopted for the preparation of this ESG Report are consistent with the Previous Year for a fair comparison unless otherwise indicated and explained in the corresponding section.

Stakeholders' Communication and Materiality Assessment

In the Review Year, the Group's communication with various shareholders has allowed it to gain a direct understanding of their genuine concerns. This feedback has been instrumental in guiding the Group's adjustments to internal policies and operations. The Group remains committed to maintaining an open mindset and welcoming input and feedback from all stakeholders. The Group is grateful for the oversight that motivates it to strive for continuous improvement. The chart below shows the major concerns of different stakeholders and the primary communication channels for conveying them to the Group.

Major stakeholders	Major demands and expectations	Main communication channels
Shareholders and investors	• Return on investment • Corporate governance system • Prevention of operational risks	• Company announcements • Annual report and interim report • Annual general meetings • Company's website
Government and regulatory bodies	• Regulatory compliance • Resource conservation • Pollution control • Community involvement • Project safety	• Supervision and evaluation • ESG Report • Inspection
Customers	• Standard of services • Quality control • Information security • Pollution control	• Business communication • Customer feedback
Employees	• Corporate governance on employee rights and interests • Improvement in employee remuneration and welfare • Career development	• Staff meetings and activities • Staff training • Recruitment procedures
Media	• Information transparency • Corporate sustainability • Pollution control • Project safety	• Company's website • News
Communities	• Higher community involvement • Supporting public welfare activities • Pollution control	• Charity activities

Environmental, Social and Governance Report

GENERAL ENVIRONMENTAL POLICIES

The Group is committed to protecting the environment and promoting sustainable development in the construction industry in Hong Kong. It firmly believes that sustainable development is the foundation of our long-term success. Therefore, the Group will actively take the following policies:

Compliance with Laws and Regulations: The Group strictly complies with environmental laws and regulations in Hong Kong and internationally, ensuring that our business activities meet relevant standards, including but not limited to: Environmental Impact Assessment Ordinance, Air Pollution Control Ordinance, Waste Disposal Ordinance, Water Pollution Control Ordinance, Noise Control Ordinance, etc.

Energy Conservation and Emission Reduction: The Group strives to reduce its energy consumption, minimise waste generation, and optimise resource utilisation to reduce adverse environmental impacts.

Promotion of Green Building: The Group encourages and supports green building design and practices, including the use of environmentally friendly materials and the improvement of building energy efficiency, to reduce buildings' impact on the natural environment.

Environmental Awareness Training: The Group provides environmental protection training for employees to enhance their environmental awareness and encourage them to adopt environmentally friendly practices in both their work and personal lives.

Environmental Risk Management: The Group regularly assesses its environmental risks, develops corresponding response measures to minimise the occurrence of environmental incidents, and promptly addresses and manages potential environmental risks.

Continuous Improvement: The Group periodically reviews and evaluates the Group's environmental policies and objectives, continuously improves its environmental management system, and ensures that its environmental policies adhere to best practices.

MEASURES RELATED TO CLIMATE CHANGE

Global warming, driven by greenhouse gas ("**GHG**") emissions, continues to pose significant challenges to the global economy and ecosystems. As a coastal city, Hong Kong is increasingly exposed to extreme weather events, including heavy rainfall, typhoons, flooding and rising temperatures. These climate-related developments may give rise to physical risks that could affect construction progress, site safety, workforce productivity, supply chain stability and operating costs. At the same time, the global transition towards a low-carbon economy, together with increasingly stringent environmental regulations and market expectations, may also create transition risks and opportunities for businesses.

In response to these evolving climate-related challenges, Hong Kong has established long-term carbon-reduction and climate-resilience objectives aligned with the Paris Agreement and the Government's climate action initiatives. As a company listed on the HKEX, the Group recognises the growing importance of climate-related governance and disclosure requirements under Appendix C2 of the Listing Rules. The Group is committed to progressively enhancing its climate-related governance, risk management and disclosure practices with reference to the International Financial Reporting Standard ("**IFRS**") S2 Climate-related Disclosures issued by the International Sustainability Standards Board ("**ISSB**").

The Group has incorporated climate-related considerations into its operational management and risk assessment processes and continues to monitor the potential impacts of climate-related risks and opportunities on its business operations, financial performance and long-term development.

Governance

The Board has overall responsibility for overseeing climate-related risks and opportunities of the Group. The Group has established an ESG working team, comprising senior management and relevant personnel from various departments, to support the Board in monitoring and managing climate-related matters. The ESG working team reports climate-related matters to the Board. The Board considers whether appropriate skills and knowledge are available for overseeing climate-related matters through regular internal discussions, review of regulatory updates and participation in ESG and climate-related training where appropriate. The Group also monitors developments in climate-related disclosure requirements and industry practices.

When reviewing the Group's business strategy, operational plans, major projects and risk management matters, the Board considers climate-related risks and opportunities, including the potential operational impacts arising from extreme weather events, changing environmental regulations and market expectations relating to sustainability.

The Board also oversees the Group's climate-related targets and environmental performance, including greenhouse gas emissions, energy consumption and other environmental indicators disclosed in this ESG Report. At present, climate-related performance metrics are not linked to remuneration policies.

Management is responsible for implementing the Group's climate-related measures and internal controls. The ESG working team assists management in collecting environmental data, monitoring climate-related risks, reviewing operational practices and coordinating ESG reporting work. Climate-related matters are incorporated into the Group's existing internal control and risk management processes.

Strategy

The Group recognises that climate-related risks and opportunities may affect its business operations, financial performance, cash flows and operating costs over the short, medium and long term. For the purpose of climate-related assessment and strategic planning, the Group defines short term as within 1 year, medium term as 1 to 5 years and long term as more than 5 years. These time horizons are aligned with the Group's business planning, project management and operational review cycles.

Type of Risk	Description	Time Horizon
Physical Risk	Extreme weather events such as typhoons, heavy rainfall and flooding may disrupt construction schedules, damage equipment, affect worker safety and increase operating costs.	Short, medium, and long term
	Rising temperatures and more frequent hot weather may affect outdoor working conditions and labour productivity.	Medium and long term
Transition Risk	Changes in environmental laws, climate-related regulations and ESG disclosure requirements may increase compliance and operating costs.	Medium and long term
	Increasing expectations from customers, investors and other stakeholders regarding sustainable construction practices may affect market.	Medium and long term

The Group has also identified climate-related opportunities, including improving operational efficiency through energy-saving measures, strengthening environmental management practices and enhancing the Group's reputation through improved ESG performance.

The identified climate-related risks and opportunities relate to the Group's construction sites, office operations, machinery use, fuel consumption, and supply chain activities in Hong Kong, and their effects on the Group's operations are broad and interconnected. In addition, the Group's construction projects are generally undertaken on a project-by-project basis, and project locations vary over time. The Group has not quantified the amount or percentage of assets or business activities exposed to climate-related physical risks as at the reporting date.

To address climate-related risks and opportunities, the Group continues to implement energy-saving measures, monitor fuel and electricity consumption, improve waste management practices, and strengthen site safety and emergency preparedness for extreme weather conditions. During the Review Year, the Group did not maintain separate accounting records for capital expenditures, financing activities, or investments specifically attributable to climate-related risks or opportunities. Climate-related measures were implemented as part of the Group's normal business operations and were financed through internal resources and operating cash flows. Accordingly, no material standalone capital expenditure, financing arrangement or investment dedicated solely to climate-related risks or opportunities was identified during the Review Year. Barring any material changes in business operations, regulatory requirements, or climate-related commitments, the Group expects internal funding to remain the principal source of capital to support its climate-related initiatives.

The Group currently does not have a formal climate transition plan. The Group will continue to monitor climate-related regulatory developments and assess the need for further climate-related planning and target-setting.

The Group allocates operational and management resources to support environmental management measures and ESG reporting work. During the Review Year, the Group continued to implement electricity-saving measures, fuel management practices and environmental monitoring procedures across its operations.

Compared with the previous reporting period, the Group continued to enhance climate-related data collection and internal monitoring procedures during the Review Year.

Financial Position, Financial Performance and Cash Flows

During the Review Year, climate-related risks did not result in any material direct financial impact on the Group's financial position, financial performance or cash flows. Nevertheless, extreme weather conditions may affect construction progress, project timelines, labour arrangements and operating costs in the future. In addition, changes in environmental regulations and market expectations may increase compliance costs and operational requirements over the medium and long term.

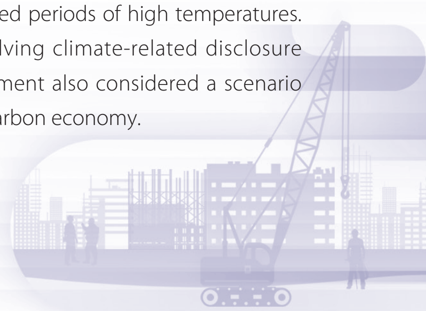
The Group currently does not disclose quantitative financial impacts arising from climate-related risks and opportunities because the related financial effects are not separately identifiable and there is a high degree of uncertainty in estimating them at the current stage.

Although the Group is fully aware that climate-related risks may affect operating costs, administrative expenses, and project-related expenditures disclosed in the financial statements, at present the Group has no significant climate-related risks expected to result in material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Climate Resilience

In assessing the resilience of its business operations and strategy to climate-related risks and opportunities during the Review Year, the Group considered a range of climate-related scenarios relevant to its principal business operations in Hong Kong, including construction sites and office operations. In doing so, the Group referred to publicly available information on climate change, including historical weather trends in Hong Kong, climate-related information published by relevant government authorities and international organisations, and current and anticipated regulatory developments in environmental protection and climate-related disclosures.

The Group considered multiple climate-related scenarios involving both physical risks and transition risks. Physical risk scenarios included increased frequency and severity of extreme weather events, such as typhoons, heavy rainfall and prolonged periods of high temperatures. Transition risk scenarios included the introduction of more stringent environmental regulations, evolving climate-related disclosure requirements and increasing stakeholder expectations regarding sustainability performance. The assessment also considered a scenario broadly aligned with the objectives of the Paris Agreement and global efforts to transition towards a lower-carbon economy.



The Group selected these scenarios as they are considered relevant to the operating environment of Hong Kong's construction industry and may reasonably affect the Group's operations, costs, project delivery schedules, and compliance obligations. The assessment considered short-term (within 1 year), medium-term (1 to 5 years) and long-term (more than 5 years) time horizons. Key assumptions adopted in the assessment included the continued operation of the Group's existing business model, the progressive development of climate-related regulations and policies, and the increasing occurrence of climate-related weather events over time.

Based on the assessment, the Group believes its current business model remains generally resilient to the identified climate-related risks. However, prolonged extreme weather events and stricter environmental requirements may increase operational costs and affect project schedules in the future. The Group will continue to monitor climate-related developments and enhance its climate resilience and risk management measures where appropriate.

Risk Management

The Group has incorporated climate-related risks and opportunities into its existing risk management and internal control framework. The Group identifies and assesses climate-related risks using information including historical weather conditions, operational experience from construction projects, environmental and regulatory developments, industry practices, and internal operational data. The Group currently uses qualitative assessment methods to evaluate the nature, likelihood and potential impact of climate-related risks.

Climate-related risks are prioritised alongside other operational and business risks based on their potential impact on business operations, worker safety, compliance obligations, and financial performance.

The Group monitors climate-related risks through ongoing site inspections, safety management procedures, weather monitoring and regular management reviews. During the Review Year, the Group enhanced its climate-related data collection and internal reporting procedures as part of its ongoing ESG management improvement process.

The Group also monitors climate-related opportunities, including those related to operational efficiency, environmental performance, and stakeholder expectations. Climate-related risks and opportunities are managed as part of the Group's overall ESG and risk management framework and are integrated into the Group's internal control and operational management processes.

Metrics and Targets

The Group monitors GHG emissions, energy consumption and other environmental performance indicators as part of its climate-related management framework. Details of the Group's Scope 1, Scope 2 and Scope 3 GHG emissions, together with other environmental performance data, are disclosed in the "Use of Resources and Emissions" section of this ESG Report.

The Board reviews the Group's environmental performance and climate-related metrics regularly. As a foundation contractor, the Group's energy consumption and emissions are closely linked to project-specific factors, including project scale, construction methods, site conditions and construction progress. As these factors may vary significantly from year to year, the Group currently focuses on improving operational efficiency, strengthening environmental management practices and reducing unnecessary resource consumption, rather than establishing absolute greenhouse gas emission reduction targets.

At this stage, the Group does not apply an internal carbon pricing mechanism in its investment decisions, project evaluations, transfer pricing activities, scenario analyses, or other business decision-making processes. The Group considers that, given the project-based nature of its operations and the variability of construction activities, internal carbon pricing may not currently provide a meaningful basis for operational or investment decision-making. Similarly, climate-related considerations are not incorporated into the remuneration policies of the Group's directors, senior management or employees, as environmental performance is managed through the Group's established governance, risk management and environmental management systems.

The Group has not established any net greenhouse gas emissions target that relies on the use of carbon credits and did not purchase, hold, trade or utilise any carbon credits or carbon offsets during the Review Year. The Group believes that priority should be given to reducing emissions through practical operational measures, including improving fuel efficiency, reducing unnecessary energy consumption and enhancing resource management practices. The Group will continue to monitor developments in carbon markets, carbon pricing mechanisms, climate-related regulations and industry practices, and will assess the suitability of incorporating such measures into its climate strategy where appropriate.

During the Review Year, the Group continued to allocate operational resources towards environmental protection and climate-related risk management measures, including the maintenance of machinery and vehicles to improve fuel efficiency, the implementation of energy-saving measures in offices and on construction sites, environmental monitoring activities, and ESG reporting. No material capital expenditure, financing arrangement or standalone investment was made specifically for climate-related risks or climate-related opportunities during the Review Year.

As a foundation contractor principally engaged in construction activities in Hong Kong, the Group considers fuel consumption by construction machinery, vehicles and equipment, energy consumption, greenhouse gas emissions and environmental compliance performance to be the most relevant climate-related indicators for its operations. The Group will continue to review the applicability of industry-specific climate-related metrics with reference to evolving regulatory requirements, industry practices and its business development.

USE OF RESOURCES & EMISSIONS

Throughout the Review Year, the Group's primary sources of energy consumption included vehicles, machinery, equipment, trucks and lorries utilised in project execution and daily operations. As a foundation contractor, the Group's energy consumption and emissions are closely linked to the scale, nature and construction progress of individual projects. As project characteristics, site conditions and construction requirements vary from year to year, fluctuations in resource consumption and emissions are common within the industry.

Rather than focusing solely on reducing absolute emissions, the Group emphasises implementing practical measures to improve operational efficiency and minimise unnecessary resource consumption. During the Review Year, the Group continued to adopt various environmental management measures, including optimising project planning to reduce unnecessary machinery idling time, conducting regular maintenance of vehicles and construction equipment to enhance fuel efficiency, encouraging responsible driving practices, promoting energy-saving behaviours in offices, and reducing paper consumption through the increased use of electronic documentation and communication. The Group also monitored resource consumption on an ongoing basis to identify opportunities for operational improvement and more efficient use of energy and materials.

In line with the revised ESG Reporting Code issued by the HKEX and the adoption of disclosure requirements aligned with IFRS S2 Climate-related Disclosures, the Group has refined its GHG emissions classification and reporting methodology during the Review Year. Indirect emissions are now separately disclosed as Scope 2 and Scope 3 GHG emissions. Accordingly, the comparative FY2025 emissions data have been restated to align with the updated reporting framework.

Under the revised classification methodology, Scope 1 GHG emissions mainly comprise direct emissions from the consumption of diesel and unleaded petrol by the Group's vehicles, machinery and equipment. Scope 2 GHG emissions comprise indirect emissions arising from purchased electricity consumption within the Group's operation in Hong Kong. Scope 3 GHG emissions comprise other indirect emissions associated with the Group's operations, including emissions arising from paper consumption, freshwater consumption and sewage discharge. The related emissions are estimated using publicly available emission factors and data from the relevant authorities and utility service providers in Hong Kong responsible for water supply and sewage treatment services. As freshwater consumption and sewage discharge related emissions have been incorporated into Scope 3 calculations under the updated methodology, the comparative FY2025 Scope 3 and total GHG emissions figures have been revised accordingly. The following tables present a detailed breakdown of energy usage and emissions.

		Consumption		Intensity[1] (unit/million sales)	
Energy Consumption	**Unit**	**FY2026**	**FY2025**	**FY2026**	**FY2025**
Electricity	kWh	92,600	93,464	577	562
Fuel — Diesel	Litre	410,604	363,819	2,560	2,188
Fuel — Unleaded petrol	Litre	2,163	3,308	13	20
Paper	kg	460	583	2.9	3.5
Water[2]	m^3	5,222	1,634	33	10

		Emission		Intensity[1] (unit/million sales)	
Emission	**Unit**	**FY2026**	**FY2025**	**FY2026**	**FY2025**
Total GHG emission in CO_2 equivalent	Tonnes	1,356	1,015	8.5	6.1
— Scope 1 GHG emission in CO_2 equivalent	Tonnes	1,312	967.5	8.2	5.8
— Scope 2 GHG emission in CO_2 equivalent	Tonnes	39.2	44.1	0.24	0.27
— Scope 3 GHG emission in CO_2 equivalent	Tonnes	4.6	3.6	0.03	0.02
Nitrogen oxides (NO_x)	kg	338	386	2.1	2.3
Sulphur oxides (SO_x)	kg	7	5	0.04	0.04
Particulate Matter (PM)	kg	27	30	0.2	0.2

Notes:

1 Intensity is calculated by the total amount of consumption over total revenue for FY2026 and FY2025, which are approximately HK$160.4 million and HK$166.3 million, respectively.

2 Water consumption refers to water used in construction sites, warehouses and offices.

WASTE MANAGEMENT

The Group's operations do not produce a substantial amount of hazardous waste that poses significant environmental risks. Compared to the Previous Year, the emission of non-hazardous waste has remained at relatively comparable levels during the Review Year. This waste mainly consists of inert construction materials like rock, rubble, earth, sand, concrete, asphalt, brick, tile, and masonry. The majority of these materials were properly disposed of in public fill reception facilities overseen by the Hong Kong government. Below is a breakdown of the Group's construction waste by type and disposal facility:

Type of construction waste	Waste disposal facilities	Construction waste produced by the Group (tonnes)		Intensity (unit/million sales)	
		FY2026	FY2025	FY2026	FY2025
Consisting entirely of inert construction waste	Public fill reception facilities	49,116	49,765	306	299
Containing more than 50% by weight of inert construction waste	Sorting facilities	188	490	1.17	2.94
Containing not more than 50% by weight of inert construction waste	Landfills	89	1,558	0.56	9.37
Total		49,393	51,813	308	311

EMPLOYMENT & LABOUR STANDARDS

Employees are the foundation of the Group's long-term development and operational success. The Group is committed to fostering a fair, respectful and inclusive workplace where employees are treated with dignity and provided with equal opportunities for development. The Group recognises the importance of protecting the rights, well-being and interests of its workforce and strives to maintain a working environment that promotes mutual respect, diversity and professional growth.

The Group's human resources policies are designed to ensure compliance with applicable laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, employee benefits and welfare. To maintain compliance and reflect evolving legal and regulatory requirements, the Group periodically reviews and updates its employment policies and procedures where appropriate.

The Group is committed to providing equal employment opportunities to all employees and job applicants regardless of gender, age, race, nationality, marital status, family status, religion or other personal characteristics protected under applicable laws. Recruitment, promotion, training and career development opportunities are based on qualifications, experience, performance and business needs. The Group does not tolerate any form of discrimination, harassment or workplace misconduct.

The Group strictly prohibits the employment of child labour and any form of forced labour. As part of its recruitment procedures, the Group verifies the identity and age of all job applicants through the examination of valid identification documents and other supporting information. Employment is entered into on a voluntary basis and in accordance with applicable employment laws and contractual arrangements. If any suspected case of child labour or forced labour is identified, the Group will immediately investigate the matter, take corrective actions as necessary and report the matter to the relevant authorities where required.

All employees of the Group are based in Hong Kong and are protected under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) and other applicable employment-related legislation in Hong Kong.

The Group complies with statutory requirements relating to compensation, insurance coverage and retirement protection for eligible employees. In addition to statutory entitlements, the Group provides various forms of leave, including annual leave, maternity leave, paternity leave and examination leave, to support employee well-being and promote a healthy work-life balance.

Employment Structure

Consistent with common practice in Hong Kong's construction industry, a significant portion of the Group's site workforce is engaged on a project-by-project basis. This arrangement enables the Group to align manpower resources with the specific scope, complexity and duration of individual projects. As a result, the size and composition of the workforce may fluctuate from year to year according to operational requirements.

The Group recognises the ongoing labour shortage challenges facing the construction industry and remains committed to attracting and retaining talent from diverse backgrounds. By promoting an inclusive and supportive working environment, the Group aims to enhance employee engagement and support the sustainable development of its workforce.

The following table sets out the breakdown of the Group's employees by employment category, job function, gender and age group as at 31 March 2026.

	Number of employees	
	FY2026	FY2025
By employment type		
Daily	**32**	36
Monthly	**18**	23
By job function		
Management	**9**	8
Administration	**8**	11
Supervisors	**1**	4
Technicians	**2**	2
Workers	**30**	34
By gender		
Male	**44**	49
Female	**6**	10
By age group		
≤30	**2**	2
31–40	**5**	7
41–50	**12**	13
51–60	**14**	19
≥61	**17**	18
By location		
Hong Kong	**50**	59
Total	**50**	59

As the Group's onsite workers are hired on a project basis, the employee turnover rate varies significantly from year to year. The table below demonstrates the details of the Group's employee turnover rate by various categories:

	Employee turnover rate (%)	
	FY2026	FY2025
By gender		
Male	**47**	57
Female	**53.8**	21
By age group		
≤30	**50**	50
31–40	**58.3**	71
41–50	**47.8**	58
51–60	**50**	54
≥61	**41.4**	28
By location		
Hong Kong	**47.9**	53
Total	**47.9**	53

WORK ENVIRONMENT SAFETY

As a foundation contractor principally engaged in piling and foundation works, the Group recognises that occupational health and safety is of paramount importance to its operations. The Group is committed to providing and maintaining a safe and healthy working environment for its employees, subcontractors and other personnel working at its offices and construction sites. Through effective safety management, continuous training and regular monitoring, the Group strives to minimise workplace accidents and occupational hazards and promote a strong safety culture throughout its operations.

The Group complies with applicable laws and regulations relating to occupational health and safety in Hong Kong, including but not limited to the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), the Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong) and other relevant statutory requirements. During the Review Year, the Group was not aware of any material non-compliance with laws and regulations relating to occupational health and safety that had a significant impact on the Group.

To protect employees and workers from occupational hazards and maintain a safe working environment, the Group has implemented various occupational health and safety measures, including:

1. Providing site safety induction training, machinery operation training and regular safety briefings to ensure employees and workers understand workplace hazards, safe working procedures and emergency response requirements;

2. Establishing safety policies, work procedures and incident reporting mechanisms to facilitate the timely identification, reporting and rectification of safety risks and unsafe conditions;

3. Displaying safety notices, warning signs, operational guidelines and educational materials at offices and construction sites to reinforce safety awareness and promote safe working practices;

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4. Assigning qualified safety personnel to conduct routine site inspections, monitor compliance with safety requirements and identify potential hazards for prompt corrective action; and

5. Conducting regular safety audits and inspections, including reviews performed by independent external parties where appropriate, to assess the effectiveness of safety measures and identify areas for improvement.

The implementation of these measures is monitored through regular site inspections, safety meetings, accident investigations and management reviews. Where accidents, incidents or near misses occur, the Group conducts investigations to identify root causes and implement corrective and preventive measures to reduce the risk of recurrence. Safety performance and workplace risks are regularly reviewed by management to ensure the effectiveness of the Group's occupational health and safety management practices.

The following table sets out the number and rate of work-related fatalities and work-related injuries, as well as the number of lost days due to work injuries, for the past three years, including the Review Year.

	Employee work-related accidents								
	FY2026			FY2025			FY2024		
	Work-related injuries	**Work-related fatal incidents**	**Lost working days**	Work-related injuries	Work-related fatal incidents	Lost working days	Work-related injuries	Work-related fatal incidents	Lost working days
Involving workers from sub-contractor	**0**	**0**	**0**	0	0	0	1	0	136
Involving workers from the Group	**3**	**0**	**558**	2	0	248	2	0	358

During the Review Year, the Group regrets to announce that 3 work-related accidents have taken place, both were related to workers within the Group, resulting in a total loss of 558 working days. The Group acknowledges the significance of these incidents and has made it a top priority to ensure equitable compensation for the workers affected. Thorough investigations have also been carried out to gain insights into these occurrences, and proactive measures will be implemented to prevent any recurrence in the future.

STAFF DEVELOPMENT & TRAINING

Recognising that employee development is essential to the long-term success of the Group, the Group continued to provide training and development opportunities to employees during the Review Year. These training programmes were designed to enhance employees' professional knowledge, technical competencies and safety awareness, enabling them to perform their duties effectively and safely.

The training provided by the Group included on-site and mechanical safety training, theoretical and operational knowledge training, as well as guidance on the proper use of tools and equipment. To reinforce learning and promote good workplace practices, the Group also provided ongoing guidance, safety reminders and operational instructions at construction sites and offices.

In addition, directors and members of management attended internal and external training programmes covering topics such as corporate governance, regulatory compliance, ESG-related developments and anti-corruption practices, ensuring that they remained informed of evolving regulatory requirements and governance standards.

The table below summarises the Group's training hours by different categories of employees:

	FY2026			FY2025		
	Number of employees trained	Average training hours completed per employee	The percentage of employees trained* (%)	Number of employees trained	Average training hours completed per employee	The percentage of employees trained* (%)
By gender						
Male	**75**	**7.2**	**95**	52	11.7	85
Female	**5**	**18.6**	**63**	4	8.2	44
By job function						
Management	**6**	**16.5**	**67**	4	15.8	40
Workers	**68**	**7.7**	**100**	44	12.9	100
Administration/supervisors/technicians	**6**	**2.0**	**55**	8	1.5	50
Total/average	**80**	**7.9**	**91**	56	11.5	80

* The percentage of employees trained is determined by dividing the number of employees trained within each category by the total number of employees in that respective category.

Apart from training programs, the Group has established a performance evaluation system to guarantee unbiased assessments of employees. This system safeguards employees and fosters equity in career advancement prospects. Through the establishment of a just and competitive atmosphere, the Group nurtures a constructive organisational culture that inspires employees to pursue excellence and achieve their full potential.

Our flow of growth potential evaluation:

Setting expectations and aspirations

Regular performance reviews to identify strengths and weaknesses

On-going feedback and refinement

Annual performance appraisal

SUPPLY CHAIN MANAGEMENT

The Group places importance on responsible supply chain management and seeks to work with suppliers that not only provide quality products and services but also demonstrate sound ESG practices. In evaluating suppliers and business partners, the Group considers a range of environmental, social and governance factors. From an environmental perspective, the Group encourages suppliers to adopt environmentally responsible practices, including carbon emission control, energy conservation, waste reduction and efficient use of resources. From a social perspective, the Group expects suppliers to respect labour rights, uphold human rights and maintain safe working conditions. In terms of governance, the Group values suppliers that operate with integrity, transparency and appropriate risk management and compliance measures.

To enhance supply chain sustainability and performance, the Group maintains regular communication with suppliers and monitors their performance where appropriate. Supplier selection and evaluation processes take into account factors such as service quality, reliability, compliance records and ESG-related considerations. The Group also seeks to improve supply chain transparency by obtaining relevant information from suppliers and monitoring potential environmental and social risks associated with its procurement activities.

During the Review Year, the Group engaged 150 suppliers, all of which were located in Hong Kong. Based on the Group's supplier assessment and monitoring procedures, no key supplier was identified as having material environmental, social or governance non-compliance issues that would have a significant impact on the Group's operations.

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PROJECT MANAGEMENT

The Group's revenue is primarily derived from bespoke foundation projects delivered to a carefully built portfolio of institutional clients, including experienced developers and property stakeholders with whom the Group has established long-term working relationships. In light of the market volatility in the foundation sector, the Group has strategically adjusted its client development approach. While continuing to strengthen partnerships with its long-standing clients, the Group has also broadened its outreach to a wider range of market participants. This approach not only diversifies the Group's revenue base but also enhances the resilience and adaptability of its project portfolio under evolving market conditions.

The Group is committed to maintaining high standards in the provision of its services and complying with all applicable laws and regulations relating to the quality, safety and privacy of its services. During the Review Year, the Group was not aware of any material non-compliance with laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to the services provided by the Group that had a significant impact on the Group.

Quality Assurance

The Group places strong emphasis on delivering high-quality services that meet client requirements and applicable industry standards. Its policies and procedures are designed to comply with relevant laws, regulations and contractual obligations while safeguarding the interests of clients, employees and other stakeholders.

The Group implements quality assurance measures throughout the project lifecycle, including project planning, site supervision, quality inspections, risk assessments and regular reviews of work progress. Continuous monitoring and quality control procedures are conducted to ensure that construction works are carried out in accordance with project specifications and safety requirements. Management regularly reviews project performance and implements corrective actions where necessary to support continuous improvement.

As the Group primarily provides foundation construction services and does not manufacture or sell consumer products, product recalls for health and safety reasons are generally not applicable to its business operations. During the Review Year, no products sold or shipped by the Group were subject to recall for safety or health reasons.

Customer Relationship Management

The Group places significant emphasis on providing high-quality customer service and maintaining effective communication with clients and other stakeholders of the project. Regular meetings, project updates and feedback discussions are conducted to facilitate communication and address client concerns in a timely manner.

To ensure customer feedback is properly managed, the Group has established communication channels through which clients may raise enquiries, concerns or complaints. Any complaints received are reviewed by the relevant management personnel, investigated where appropriate and followed up with corrective actions when necessary. During the Review Year, the Group received a minimal number of service-related complaints, and all complaints were handled and resolved through established communication and follow-up procedures.

Intellectual Property Rights

The Group respects and protects intellectual property rights and complies with the Copyright Ordinance (Chapter 528 of the Laws of Hong Kong) and other applicable intellectual property laws and regulations. The Group has established procedures to safeguard its intellectual property and respect the intellectual property rights of clients, suppliers and other business partners.

Management and relevant departments review contracts and project documentation to ensure that intellectual property rights are appropriately recognised, protected and used in accordance with contractual and legal requirements. Employees are also expected to comply with applicable intellectual property requirements in the course of their work.

Data Privacy

The Group is committed to protecting the privacy and confidentiality of personal and business information obtained during its operations. In accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), the Group collects, uses, stores and manages personal data only for legitimate business purposes and limits access to authorised personnel on a need-to-know basis.

The Group has implemented internal controls and procedures to safeguard confidential information and customer data from unauthorised access, disclosure, misuse or loss. Management periodically reviews relevant practices and procedures to ensure continued compliance with applicable privacy requirements. During the Review Year, the Group was not aware of any material breaches of customer data privacy or loss of customer information.

ANTI-CORRUPTION

The Group is committed to conducting its business with honesty, integrity, fairness and accountability. The Group recognises that maintaining high ethical standards and a strong corporate governance framework is essential to its long-term success and sustainability. During the Review Year, the Group complied with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and other applicable laws and regulations relating to bribery, extortion, fraud and money laundering. The Group was not aware of any material non-compliance with such laws and regulations that had a significant impact on the Group.

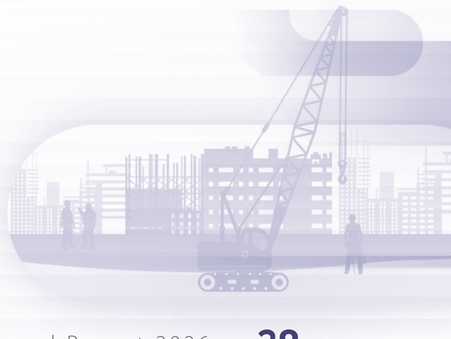
The Group has established an anti-corruption policy that adopts a zero-tolerance approach towards all forms of corruption and unethical conduct. Employees are prohibited from soliciting or accepting bribes, offering improper advantages, engaging in fraudulent activities, facilitating improper payments or participating in any activities that may give rise to actual or perceived conflicts of interest. Employees are required to act impartially, avoid excessive entertainment or gifts, and disclose any potential conflicts of interest in accordance with the Group's internal policies.

To support the implementation of its anti-corruption framework, the Group has established internal guidelines and procedures covering ethical conduct, conflict of interest management, reporting channels and investigation procedures. These measures are communicated to employees and are subject to periodic review by management to ensure their effectiveness and continued relevance.

The Group has also established a whistle-blowing mechanism that allows employees and relevant stakeholders to report suspected misconduct, corruption, fraud or other unethical behaviour through confidential channels. All reports are handled discreetly and reviewed by designated management personnel. Where appropriate, investigations are conducted and corrective actions are implemented. The Group prohibits retaliation against any individual who reports concerns in good faith and seeks to foster a culture of transparency, accountability and ethical conduct.

During the Review Year, the executive directors of the Group participated in a total of 48.5 hours of anti-corruption training covering topics such as anti-bribery requirements, ethical business conduct, conflict of interest management and corporate governance practices. Relevant employees also received guidance on the Group's anti-corruption policies and procedures as part of ongoing compliance and governance efforts.

During the Review Year, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees, and the Group did not receive any substantiated reports relating to corruption, bribery, extortion, fraud or money laundering.



COMMUNITY INVESTMENT

The Group's community investment efforts are primarily focused on healthcare, social welfare and support for disadvantaged groups. Through these initiatives, the Group aims to contribute to the well-being of the local community and help foster a more caring and inclusive society. During the Review Year, the Group supported charitable activities organised by Lifewire Foundation Limited, whose objectives include raising funds for the medical and rehabilitation expenses of children with rare diseases, enhancing public awareness and understanding of rare diseases, and promoting social inclusion by providing opportunities for people with disabilities to showcase their talents and participate in community activities.

During the Review Year, the Group contributed a total of HK$76,000 in charitable donations and sponsorships. These included a donation of HK$38,000 for the Lifewire 10th Anniversary Gala Dinner held on 20 June 2025, and a sponsorship of HK$38,000 for Lifewire Run 2025. Following a major fire incident in Tai Po, Hong Kong, Lifewire Run 2025 event was cancelled. To maximise the social impact of the funds raised, the event organisers consolidated the donations and allocated part of the proceeds to support affected residents and other individuals in need. This arrangement ensured that the charitable contributions continued to provide timely assistance to vulnerable members of the community.

The Group will continue to review community needs and identify suitable opportunities to support charitable, healthcare and social welfare initiatives in Hong Kong. Through responsible community engagement and sustained support for worthwhile causes, the Group seeks to create positive social value and contribute to the long-term development of the communities it serves.

ESG REPORTING GUIDE INDEX

ESG Reporting Guide General Disclosures		Section	Remarks
Mandatory Disclosure Requirements ("MDR")			
MDR 13	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Foreword	Complied
MDR 14	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: (a) Materiality, (b) Quantitative and (c) Consistency reporting principles.	Foreword	Complied
MDR 15	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Foreword	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
A. Environment			
Aspect A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	General Environmental Policies, Measures Related to Climate Change, and Use of Resources & Emissions	Complied
KPI A1.1	The types of emissions and respective emissions data.	Use of Resources & Emissions	Complied
KPI A1.2	Repealed by HKEX 1 January 2025	/	/
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		Not applicable — the Group's operation does not generate a meaningful amount of hazardous waste
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management	Complied
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	General Environmental Policies and Use of Resources & Emissions	Complied
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	General Environmental Policies and Use of Resources & Emissions	Complied
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources & Emissions	Complied
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources & Emissions	Complied
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	General Environmental Policies and Use of Resources & Emissions	Complied
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.		Not applicable — sourcing water in operation was insignificant
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		Not applicable — packaging materials used in operation were insignificant
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	General Environmental Policies, Measures Related to Climate Change, and Use of Resources & Emissions	Complied
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	General Environmental Policies, Measures Related to Climate Change, and Use of Resources & Emissions	Complied
Aspect A4 Climate Change	Repealed by HKEX on 1 January 2025	/	/
KPI A4.1	Repealed by HKEX on 1 January 2025	/	/

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

ESG Reporting Guide General Disclosures		Section	Remarks
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Staff Development & Training	Complied
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Staff Development & Training	Complied
KPI B3.2	The average training hours completed per employee by gender and employee category.	Staff Development & Training	Complied
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment & Labour Standards	Complied
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment & Labour Standards	Complied
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment & Labour Standards	Complied
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	Complied
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management	Complied
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	Complied
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	Complied
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Project Management (except for the insignificant areas: advertising and labelling relating to products and services)	Complied
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.		Not Applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Project Management	Complied
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Project Management	Complied
KPI B6.4	Description of quality assurance process and recall procedures.	Project Management	Complied
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Project Management	Complied
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption	Complied
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption	Complied
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption	Complied
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment	Complied
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment	Complied
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment	Complied
Climate-related Disclosures			
(I) Governance			
19 (a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35).	Measures Related to Climate Change	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
19(b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Measures Related to Climate Change	Complied
(II) Strategy			
Climate-related risks and opportunities			
20(a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	Measures Related to Climate Change	Complied
20(b)	Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk.	Measures Related to Climate Change	Complied
20(c)	Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons — short, medium or long term — the effects of each climate-related risk and opportunity could reasonably be expected to occur.	Measures Related to Climate Change	Complied
20(d)	Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Measures Related to Climate Change	Complied
Business model and value chain			
21(a)	A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Measures Related to Climate Change	Complied
21(b)	A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Measures Related to Climate Change	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
Strategy and decision-making			
22(a)	Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40.	Measures Related to Climate Change	Complied
22(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Measures Related to Climate Change	Complied
23	Information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Measures Related to Climate Change	Complied
Financial position, financial performance and cash flows			
Current financial effect 24(a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	Measures Related to Climate Change	Complied
Current financial effect 24(b)	The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Measures Related to Climate Change	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
Anticipated financial effect 25(a)	How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy.	Measures Related to Climate Change	Complied
Anticipated financial effect 25(b)	How the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Measures Related to Climate Change	Complied
Climate resilience			
26(a)	The issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.	Measures Related to Climate Change	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
26(b)	How and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	Measures Related to Climate Change	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
(III) Risk Management			
27(a)	The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period.	Measures Related to Climate Change	Complied
27(b)	The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	Measures Related to Climate Change	Complied
27(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Measures Related to Climate Change	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
(IV) Metrics and Targets			
Greenhouse gas emissions			
28(a)	Scope 1 greenhouse gas emissions.	Use of Resources & Emissions	Complied
28(b)	Scope 2 greenhouse gas emissions.	Use of Resources & Emissions	Complied
28(c)	Scope 3 greenhouse gas emissions.	Use of Resources & Emissions	Complied
29(a)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions.	General Environmental Policies, Measures Related to Climate Change, and Use of Resources & Emissions	Complied
29(b)	Disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.	General Environmental Policies, Measures Related to Climate Change, and Use of Resources & Emissions	Complied
29(c)	For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions.	Use of Resources & Emissions (though no contractual instrument is necessary)	Complied
29(d)	For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Use of Resources & Emissions	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
Climate-related transition risks			
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Measures Related to Climate Change	Complied
Climate-related physical risks			
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Measures Related to Climate Change	Complied
Climate-related opportunities			
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Measures Related to Climate Change	Complied
Capital deployment			
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Measures Related to Climate Change	Complied
Internal carbon prices			
34(a)	An explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis).	Measures Related to Climate Change	Complied
34(b)	The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Measures Related to Climate Change	Complied
Remuneration			
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Measures Related to Climate Change	Complied
Industry-based metrics			
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Measures Related to Climate Change	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
Climate-related targets			
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Measures Related to Climate Change and Use of Resources & Emissions	Complied
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	Measures Related to Climate Change and Use of Resources & Emissions	Complied
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Measures Related to Climate Change and Use of Resources & Emissions	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Measures Related to Climate Change and Use of Resources & Emissions	Complied
Applicability of cross-industry metrics and industry-based metrics			
41	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Measures Related to Climate Change	Complied

Directors' Report

The Board is pleased to submit this annual report together with the audited financial statements of the Group for the Review Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, the principal activities of its principal subsidiaries are set out in Note 13 to the consolidated financial statements.

RESULTS/BUSINESS REVIEW

The results of the Group for the Review Year are set out in the section headed "Consolidated Statement of Profit or Loss and Other Comprehensive Income" on page 72 in this report. The business review of the Group for the Review Year is set out in the section headed "Management Discussion and Analysis" on pages 4 to 7 in this report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are aware that the Group is exposed to various risks and uncertainties. The following are the key risks and uncertainties faced by the Group:

Industry Risks

The future development of the foundation industry and the availability of foundation projects in Hong Kong depends largely on the continued development of the property market in Hong Kong. The nature, extent and timing of available foundation projects will be determined by an interplay of a variety of factors, including the Government's policies on the property market, land supply and public housing policy, the investment of property developers and the general conditions and prospect of Hong Kong's economy. Any slowdown of the property market may affect the availability of foundation projects in Hong Kong and have a material and adverse impact on our Group's business.

Compliance Risks

Due to the nature of foundation industry, many aspects of the Group's business operation are governed by various laws and regulations and Government policies. The requirements in respect of the granting and/or renewal of various licences and qualifications may change from time to time, and there is no assurance that the Group will be able to respond to such changes in a timely manner. Such changes may also increase the costs and burden in complying with them, which may materially and adversely affect the Group's business, financial condition and results of operation.

Uncertainties in Construction Progress

(1) unexpected geological or sub-soil conditions

Prior to commencement of the foundation works, the customers would normally provide ground investigation reports to the Group. However, information contained in these reports may not be sufficient to reveal the actual geology beneath the construction site due to limitation in the scope of the underground investigation works that can be carried out at the site and/or other technical limitations. There may be discrepancies between the actual geological conditions and the findings set out in these investigation reports, and the investigation may not be able to reveal the existence of rocks or to identify any antiquities, monuments or structures beneath the site.

All these may eventually present potential issues and uncertainties in the carrying out of our foundations works, such as the possible increase in the complexity of the project resulting from additional work procedures, workers, equipment and times required to deal with any unexpected existence of rocks, antiquities or monuments, which may also lead to additional costs to be incurred. Nevertheless, in case of any significant unexpected difficult geological or sub-soil conditions, the Group may incur additional costs in dealing with such unforeseen conditions, which may lead to cost overruns and may thus materially and adversely affect the Group's business operation and financial position.

(2) damage of various underground service utilities

Services utilities may be laid underground or below carriageways and footways in Hong Kong. The Group may be obstructed by those service utilities when carrying out foundation works. There is no assurance that damage to those utilities will not occur during the foundation works. Accordingly, the Group may be liable to the costs for the repair of such damaged service utilities to the extent not covered by insurance.

Failure to Guarantee New Business

Revenue is typically derived from projects which are non-recurrent in nature. As the Group does not enter into long-term agreements with the customers, there is no guarantee that the Group will be able to secure new businesses from customers. The number and scale of projects from which the Group derives revenue from may vary significantly from period to period, and it may be difficult to forecast the volume of future business. In the event that the Group fails to secure new contracts or there is a significant decrease in the number of tender invitations or contracts available for bidding in the future, the business and financial positions and prospect of the Group could be materially and adversely affected.

ENVIRONMENTAL POLICIES AND PERFORMANCE

In undertaking foundation works, the Group may cause (i) emission of air pollutants; (ii) emission of noise from construction activities; and (iii) disposal of construction waste. Therefore, the foundation works are subject to the requirements of the following laws and regulations in relation to the environmental protection.

The laws and regulations which have a significant impact on the Group includes, among others, Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Chapter 311Z of the Laws of Hong Kong), Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong), Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), Dumping at Sea Ordinance (Chapter 466 of the Laws of Hong Kong), Environmental Impact Assessment Ordinance (Chapter 499 of the Laws of Hong Kong) and Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong).

The Group places an emphasis on environmental protection when undertaking its projects. The Group has implemented an environmental management system which was certified to be in compliance with the standard required under ISO 14001:2015. Besides that, the Group has also established environmental management policy to ensure proper management of environmental protection and compliance of environmental laws and regulations by employees and workers of the sub-contractors.

In order to promote environmental awareness with the business partners, the Group reviews their sub-contractors regularly with environmental contribution being one of the criteria, higher priority is given to sub-contractors possessing ISO 14001 certification.

The Group also establishes, implements and maintains an occupational health and safety ("**OH&S**") management system with aim to provide safe and healthy workplaces by preventing work-related injury and ill health. The OH&S management system was certified to be in compliance with standard required under ISO 45001.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the Review Year, as far as the Board and the management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has material impact on the business and operation of the Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND SUB-CONTRACTORS

Employees

The Group considers its employees the key to sustainable business growth and also recognises its employees as its valuable assets. The Group provides comprehensive remuneration package to attract, motivate and retain appropriate and suitable employees to serve the Group. The Group has in place a fair and effective performance appraisal system and incentive bonus scheme designed to motivate and reward employees at all levels to deliver their best performance and achieve targets. The Group also provides on-the-job training and development opportunities to enhance its employees’ career development and learning.

Customers

The Group are aware of the risk of customer concentration, and sought to reduce the reliance on major customer by undertaking more sizeable projects for other customers. Besides that, the Group believes a strong and good relationship with customers would increase its recognition and visibility in the foundation industry. As such, the Group values the views and opinions of all customers through various means and channels, including regular review and analysis on customer feedback. The Group also believes that a strong and good relationship with customers can further develop new business opportunities in the foundation industry.

Suppliers and Sub-contractors

The Group has developed stable and strong working relationships with suppliers and sub-contractors to meet the Group’s customers’ needs in an effective and efficient manner. The Group works closely with the suppliers and sub-contractors to make sure the tendering, procurement and sub-contracting are conducted in an open, fair and just manner. The Group’s requirements and standards are also well-communicated to them before the commencement of the project.

SHARE CAPITAL

The Company has only one class of shares, which are ordinary shares. Details of the Company’s share capital structure as at 31 March 2026 and the movements of share capital during the year are set out in Note 21 to the consolidated financial statements.

Further, the Company did not have any treasury shares (as defined in Rule 1.01 of the Listing Rules) as at 31 March 2026.

DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group during the Review Year are set out in the section headed “Consolidated Statement of Changes in Equity” on page 74 in this report.

Distributable reserves of the Company as at 31 March 2026, calculated under the Companies Act of Cayman Islands amounted to approximately HK$27.8 million.

Directors' Report

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of any final dividend for the Review Year.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SECURITIES

For the Review Year and up to the date of this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

PROPERTY, PLANT AND EQUIPMENT

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Second Restated 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.

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 11 to 23 in this report.

ANNUAL GENERAL MEETING ("AGM")

The 2026 AGM will be held on Thursday, 10 September 2026. The notice of the AGM will be published and despatched to shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The Hong Kong branch register of members of the Company will be closed from Monday, 7 September 2026 to Thursday, 10 September 2026 (both dates inclusive) for the purpose of ascertaining shareholders' entitlement to attend and vote at the forthcoming AGM. No transfer of shares may be registered on those dates. In order to qualify for the shareholders' entitlement to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates should be lodged with the Company's Branch Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on Friday, 4 September 2026.

Executive Directors:

Mr. Wong Yan Hung
Mr. Wong Tony Yee Pong
Mr. Lai Kwok Fai (Resigned on 27 October 2025)
Ms. To Kit Man
Ms. Wong Nga Ling Kitty

Independent Non-executive Directors:

Mr. Law Ka Ho (Resigned on 6 July 2026)
Mr. Leung Wai Lim
Mr. Tam Wai Tak Victor
Mr. Chui Gary Wing Yue (Appointed on 6 July 2026)

As disclosed in the section headed "Corporate Governance Report — Appointment, Re-election and Removal of Directors" contained in this report, Mr. Chui Gary Wing Yue, Mr. Leung Wai Lim and Mr. Tam Wai Tak Victor will retire from office as Directors at the forthcoming AGM being eligible, and offer themselves for re-election.

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

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for a term of 3 years and shall continue thereafter until being terminated by either party giving not less than three months' written notice.

Each of the independent non-executive Directors has entered a letter of appointment with the Company for a term of 2 years and shall continue thereafter until being terminated by either party giving not less than three months' written notice.

None of the Directors being proposed for re-election at the forthcoming AGM has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

NON-COMPETITION UNDERTAKING

Mr. Wong Yan Hung, Mr. Wong Tony Yee Pong, Mr. Lai Kwok Fai and May City Holdings Limited ("**May City**") (collectively, the "**Controlling Shareholders**") entered into a deed of non-competition dated 3 September 2016 in favour of the Group (the "**Deed of Non-Competition**"). Pursuant to the Deed of Non-Competition, each of the Controlling Shareholders has irrevocably and unconditionally undertaken to the Company (for itself and for the benefit of the subsidiaries), among others, that, during the period which (i) the Shares remain listed on the Stock Exchange; and (ii) the Controlling Shareholders and their close associates (other than members of the Group) individually or jointly, are entitled to exercise, or control the exercise of, not less 30% of the voting power at general meeting of the Company or the Controlling Shareholders or the relevant close associates remains as a director of any member of the Group, he/it shall not, and shall procure that his/its close associates (other than any member of the Group) not to carry on or be engaged, concerned or interested, or otherwise be involved directly or indirectly, in any business in competition with or likely to be in competition with the existing business activity of any member of the Group or any business activity to be conducted by any member of the Group from time to time.

Each of the Controlling Shareholders further undertakes that if any business investment or other commercial opportunity which may compete with the business of the Group is identified by or offered to him/it, he/it shall procure that his/its close associates to promptly notify the Group in writing and the Group shall have a right of first refusal to take up such opportunity. The Group shall within 30 days after the receipt of the written notice (or such longer period if the Group is required to complete any approval procedures as set out under the Listing Rules from time to time), notify the Controlling Shareholders whether the Group will exercise the right of first refusal.

On 23 October 2025, Mr. Wong Yan Hung and Mr. Lai Kwok Fai had entered into a sale and purchase agreement, pursuant to which Mr. Wong Yan Hung agrees to purchase and Mr. Lai Kwok Fai agrees to sell the 30% shareholding interest in May City legally and beneficially held by Mr. Lai Kwok Fai at a consideration of HK$12,000,000 (the "**Share Transfer**"). The Share Transfer was completed on 27 October 2025. After completion, Mr. Wong Yan Hung and Mr. Wong Tony Yee Pong remain as the controlling Shareholders of the Company and Mr. Lai Kwok Fai ceased to be a controlling shareholder of the Company. The Company has received a written confirmation from the Controlling Shareholders in respect of the compliance with and the enforcement of the terms of the Deed of Non-Competition by the Controlling Shareholders during the Review Year.

All independent non-executive Directors have reviewed the compliance of the Deed of Non-Competition entered into by the Controlling Shareholders as to whether the Controlling Shareholders had abided by the Deed of Non-Competition. All independent non-executive Directors also confirmed that the Controlling Shareholders had not been in breach of the Deed of Non-Competition during the Review Year.

COMPETING INTERESTS

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the Review Year, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Group, is set out on page 118 in this report.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance coverage for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising from corporate activities.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party for the Review Year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management of the Group are set out in the section headed "Biographical Details of the Directors and Senior Management" on pages 8 to 10 in this report.

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set in Note 9 to the consolidated financial statements.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND THE ASSOCIATED CORPORATIONS

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

i. Long position in our Shares

Name of Directors	Capacity/Nature	Number of Shares held/interested in (Note)	Percentage of shareholding
Mr. Wong Yan Hung	Interest in a controlled corporation (Note)	320,951,067	60.18%
Mr. Wong Tony Yee Pong	Interest in a controlled corporation (Note)	320,951,067	60.18%
Mr. Chui Gary Wing Yue	Beneficial interest	2,000	negligible

Note:

These 320,951,067 Shares are held by May City, the entire issued share capital of which is owned as to 70% by Mr. Wong Yan Hung and 30% by Mr. Wong Tony Yee Pong. Mr. Wong Yan Hung and Mr. Wong Tony Yee Pong have had a mutual understanding all along to jointly control the Group and thus they are presumed to be acting in concert (within the meaning of the Takeovers Code). Therefore, each of Mr. Wong Yan Hung and Mr. Wong Tony Yee Pong is deemed, or taken to be, interested in all the Shares held by May City for the purposes of the SFO. Each of Mr. Wong Yan Hung and Mr. Wong Tony Yee Pong is a director of May City.

ii. Long position in the shares of associated corporation

Name of Directors	Name of associated corporation	Capacity/Nature	Number of shares held/interested in	Percentage of interest
Mr. Wong Yan Hung	May City	Beneficial interest	70	70%
Mr. Wong Tony Yee Pong	May City	Beneficial interest	30	30%

Save as disclosed above, as at 31 March 2026, none of the Directors had any interests or 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) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange under the Model Code.

INTERESTS OF SUBSTANTIAL AND OTHER SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at 31 March 2026, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in Shares or underlying Shares which would fell to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity/Nature	Number of Shares held/interested in (Note 1)	Percentage of interest
May City	Beneficial interest (Note 2)	320,951,067	60.18%
Ms. Choi Mei Chu	Interest of spouse (Note 3)	320,951,067	60.18%
Ms. Lee Pik Yu, Kenji	Interest of spouse (Note 4)	320,951,067	60.18%

Notes:

1. The Share Consolidation became effective on 17 September 2024. The number of issued shares held by each of the respective shareholders was adjusted pursuant to the Share Consolidation upon the effective date.

2. These 320,951,067 Shares are held by May City, the entire issued share capital of which is owned as to 70% by Mr. Wong Yan Hung and 30% by Mr. Wong Tony Yee Pong. Mr. Wong Yan Hung and Mr. Wong Tony Yee Pong have had a mutual understanding all along to jointly control the Group and thus they are presumed to be acting in concert (within the meaning of the Takeovers Code). Therefore, each of Mr. Wong Yan Hung and Mr. Wong Tony Yee Pong is deemed, or taken to be, interested in all the Shares held by May City for the purposes of the SFO. Each of Mr. Wong Yan Hung and Mr. Wong Tony Yee Pong is a director of May City.

3. Ms. Choi Mei Chu is the spouse of Mr. Wong Yan Hung and is deemed or taken to be interested in all the Shares in which Mr. Wong Yan Hung has, or is deemed to have, an interest for the purposes of the SFO.

4. Ms. Lee Pik Yu, Kenji is the spouse of Mr. Wong Tony Yee Pong and is deemed or taken to be interested in all the Shares in which Mr. Wong Tony Yee Pong has, or is deemed to have, an interest for the purposes of the SFO.

Save as disclosed above, and as at 31 March 2026, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "**Share Option Scheme**") on 3 September 2016. The principal terms of the Share Option Scheme are summarised in Appendix IV to the Prospectus. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 3 September 2016, and there is no outstanding share option as at 31 March 2026.

Further details regarding the Share Option Schemes are set out in Note 23 to the consolidated financial statements.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the Review Year and up to the date of this report was the Company or any of its subsidiaries or a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any body corporate.

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of sales and purchases for the Review Year attributable to the Group's major customers and suppliers are as follow:

Sales	
— the largest customer	26%
— five largest customers	67%
Purchases	
— the largest supplier	25%
— five largest suppliers	53%

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the major customers or suppliers noted above.

DONATIONS

During the Review Year, the Group made charitable and other donations amounting to HK$76,000.

RELATED PARTIES

Details of the significant related party transactions undertaken in the normal course of business are set out in Note 30 to the consolidated financial statements, and none of which constitutes a discloseable connected transaction as defined under the Listing Rules.

SUBSIDIARIES

Details of the subsidiaries of the Company are set out in Note 13 to the consolidated financial statements.

Directors' Report

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules for the Review Year and up to the date of this report.

RETIREMENT SCHEME

The Group participates in the mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). Save as the aforesaid, the Group did not participate in any other pension schemes during the Review Year.

AUDITORS

The consolidated financial statement for the Review Year have been audited by HLB Hodgson Impey Cheng Limited, who will retire and, being eligible, offer itself for re-appointment at the forthcoming AGM.

EVENTS AFTER THE REVIEW YEAR

There is no material subsequent event undertaken by the Group after 31 March 2026 and up to the date of this report.

By Order of the Board
Shun Wo Group Holdings Limited
Wong Yan Hung
Chairman

Hong Kong, 26 June 2026

Independent Auditors' Report

HLB 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 SHAREHOLDERS OF

SHUN WO GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Shun Wo Group Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 72 to 117, 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 ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the *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 period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition for provision of foundation work services	
We identified the revenue recognition for provision of foundation work services as a key audit matter due to its significance to the consolidated financial statements. During the year ended 31 March 2026, the Group generated revenue of approximately HK$160,404,000 from provision of foundation work services as disclosed in Note 5 to the consolidated financial statements. As disclosed in Note 5 to the consolidated financial statements, the Group recognised revenue from provision of foundation work services over time using output method, i.e. based on surveys of foundation work completed by the Group to date as certified by architects, surveyors or other representatives appointed by the customers or estimated with reference to the progress payment application submitted by the Group to the customers in relation to the work completed by the Group.	Our procedures in relation to the revenue recognition for provision of foundation work services included but not limited to: • obtaining an understanding on the management’s key process in recognition of the contract revenue for provision of foundation work services; • checking the total contract value to the contracts and variation orders (if any) to the agreements or other correspondence, on a sample basis; and • evaluating the reasonableness of revenue from provision of foundation work services recognised to date by: — checking to the certificates issued by the architects or surveyors appointed by the customers before and subsequent to year end date to evaluate the value of work already performed during the year and the subsequent progress of respective projects, on a sample basis; and — discussing with the management of the Group to understand the status of respective foundation work service contracts, on a sample basis. We found that the revenue recognition for provision of foundation work services to be supportable by available evidence.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables and contract assets	
We identified impairment assessment of trade receivables and contract assets as a key audit matter due to its significance to the consolidated financial statements as a whole and management's estimate in evaluating the expected credit losses of the trade receivables and contract assets.	Our procedures in relation to impairment of trade receivables and contract assets mainly included but not limited to: • obtaining an understanding on how the management assess the expected credit losses for trade receivables and contract assets; • testing the integrity of information used by management for the assessment, including ageing analysis of trade receivables, on a sample basis, by comparing individual items in the analysis with the relevant underlying documents; • assessing the reasonableness of the basis and judgement of the management in determining credit loss allowance on trade receivables and contract assets; and • Assessing the reasonableness of the key data inputs used in determination of expected credit loss rate, on a sample basis, and evaluating the assumptions, including both historical settlement history and forward-looking information used. We found that the management judgement and estimates used to determine the impairment of trade receivables and contract assets to be supportable by available evidence.

Independent Auditors’ Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors’ report thereon (the “**Other information**”).

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

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

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

As part of an audit in accordance with HKSAs, we exercise professional 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. Yau Wai Ip (practising certificate number: P07849).

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hong Kong, 26 June 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2026

	Notes	**2026** **HK$'000**	2025 HK$'000
Revenue	5	**160,404**	166,255
Direct costs		**(147,305)**	(140,916)
Gross profit		**13,099**	25,339
Other income and other gains	5	**3,869**	8,768
Administrative and other operating expenses		**(33,843)**	(31,912)
Impairment losses on financial assets and contract assets, net		**(446)**	(9,223)
Loss from operations		**(17,321)**	(7,028)
Finance cost	6	**(33)**	(30)
Loss before income tax	7	**(17,354)**	(7,058)
Income tax credit	10	**2,843**	1,365
Loss and total comprehensive expense for the year attributable to owners of the Company		**(14,511)**	(5,693)
Loss per share attributable to owners of the Company			
— Basic and diluted loss per share (HK cents)	11	**(3.45)**	(1.42)

Details of dividends are disclosed in Note 12 to the consolidated financial statements.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**13,897**	15,718
Right-of-use assets	15	**462**	601
Deferred tax assets	28	**3,054**	211
		17,413	16,530
Current assets			
Contract assets	17	**34,281**	38,899
Trade and other receivables	18	**33,463**	55,581
Pledged bank deposits	19	**12,297**	7,160
Bank balances and cash	20	**74,315**	85,242
		154,356	186,882
Total assets		**171,769**	203,412
EQUITY			
Equity attributable to owners of the Company			
Capital and reserves			
Share capital	21	**53,333**	40,000
Reserves	22	**90,052**	100,020
Total equity		**143,385**	140,020
LIABILITIES			
Current liabilities			
Trade and other payables	24	**22,603**	44,034
Deferred income	25	**937**	240
Lease liabilities	26	**332**	450
Contract liabilities	27	**1,660**	17,692
		25,532	62,416
Non-current liabilities			
Deferred income	25	**2,781**	820
Lease liabilities	26	**71**	156
		2,852	976
Total liabilities		**28,384**	63,392
Total equity and liabilities		**171,769**	203,412
Net current assets		**128,824**	124,466
Net assets		**143,385**	140,020

The consolidated financial statements were approved and authorised for issue by the board of directors on 26 June 2026 and signed on its behalf by:

Mr. Wong Yan Hung
Director

Ms. To Kit Man
Director

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Share capital HK$'000 (Note 21)	Share premium HK$'000 (Note 22)	Merger reserve HK$'000 (Note 22)	Retained earnings HK$'000	Total HK$'000
Balance at 1 April 2024	40,000	56,625	198	48,890	145,713
Loss and total comprehensive expense for the year	–	–	–	(5,693)	(5,693)
Balance at 31 March 2025 and 1 April 2025	40,000	56,625*	198*	43,197*	140,020
Loss and total comprehensive expense for the year	–	–	–	(14,511)	(14,511)
Issue of shares upon rights issue (Note 21(b))	13,333	4,543	–	–	17,876
Balance at 31 March 2026	**53,333**	**61,168***	**198***	**28,686***	**143,385**

* These reserve accounts comprise the consolidated reserves of approximately HK$90,052,000 (2025: HK$100,020,000) in the consolidated statement of financial position.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
Cash flows from operating activities			
Cash (used in)/generated from operations	29(a)	**(28,536)**	363
Income tax paid		**–**	(2,162)
Net cash used in operating activities		**(28,536)**	(1,799)
Cash flows from investing activities			
Interest received		**1,567**	3,252
Purchases of property, plant and equipment		**(4,755)**	(10,500)
Receipt of asset-related government grant		**3,484**	1,200
Payment for right-of-use asset		**(101)**	–
Proceeds from disposal of property, plant and equipment		**125**	10
Net cash generated from/(used in) investing activities		**320**	(6,038)
Cash flows from financing activities			
Issue of shares upon rights issue		**17,876**	–
Repayment of lease liabilities		**(554)**	(286)
Interest paid		**(33)**	(30)
Net cash generated from/(used in) financing activities		**17,289**	(316)
Net decrease in cash and cash equivalents		**(10,927)**	(8,153)
Cash and cash equivalents at the beginning of year		**85,242**	93,395
Cash and cash equivalents at the end of year		**74,315**	85,242
Analysis of cash and cash equivalents			
Pledged bank deposits and bank balances and cash		**86,612**	92,402
Less: pledged bank deposits		**(12,297)**	(7,160)
Cash and cash equivalents		**74,315**	85,242

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

Shun Wo Group Holdings Limited (the "**Company**") is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") is principally engaged in undertaking foundation works in Hong Kong.

The Company was incorporated in the Cayman Islands on 3 May 2016 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 28 September 2016.

As at 31 March 2026, its parent and ultimate holding company is May City Holdings Limited ("**May City**"), a company incorporated in the British Virgin Islands (the "**BVI**") and owned as to 70% by Mr. Wong Yan Hung ("**Mr. YH Wong**") and 30% by Mr. Wong Tony Yee Pong ("**Mr. Tony Wong**").

The address of the registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and its principal place of business is Flat A, 7/F., Sai Wan Ho Plaza, 68 Shaukeiwan Road, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 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**"). 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 Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies of the Group.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Change in accounting policy and disclosures

(i) Amendments to HKFRS Accounting Standard that are mandatorily effective for the current year

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

HKAS 21 (Amendments)	Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standard 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.

(ii) 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:

HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments[1]
HKFRS Accounting Standards (Amendments)	Annual Improvements to HKFRS Accounting Standards — Volume 11[1]
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
HKAS 21 (Amendments)	Translation to Hyperinflationary Presentation Currency[2]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Principal of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired business, the equity interests issued by the Group, the fair value of any asset or liability resulting from a contingent consideration arrangement, and the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in HK$, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other income and other gains.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2.8 Property, plant and equipment

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

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

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives at the following rates per annum:

Leasehold improvements	Over the shorter of lease terms and 50%
Furniture, fixtures and office equipment	20%
Plant, machinery and equipment	20%
Motor vehicles	30%

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Impairment of non-financial assets

All non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Investment and other financial assets

(i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income ("**OCI**"), or through profit or loss), and

- those to be measured at amortised cost.

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

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

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

(ii) Recognition and derecognition

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

(iii) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Investment and other financial assets (continued)

(iii) Measurement (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments.

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

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Investment and other financial assets (continued)

(iv) Impairment

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

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

Impairment on other receivables is measured as either 12-month ("**12m**") ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

The Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The expected loss rates are based on the payment profiles of project individually and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

2.11 Offsetting financial instruments

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

2.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to on insignificant risk of changes in value, and bank overdrafts (if any).

2.14 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade and other payable

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities if payment is due within 12 months or less (or in the normal operating cycle of the business if longer) after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get 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 eligible for capitalisation.

Other borrowing cost are expensed in the period in which they are incurred.

2.18 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Retirement benefits

The Group operates defined contribution plans and pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Bonus plans

The Group recognises a liability and an expense for bonuses when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of such obligation can be made.

2.20 Share-based payments

Share-based compensation benefits are provided to employees via an employee share scheme. Information relating to the scheme is set out in Note 23.

The fair value of options granted under the scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.21 Provisions

Provisions are recognised when, the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.22 Contingent liabilities and contingent assets

Contingent assets

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group and they are not recognised in the consolidated financial statements. The Group assesses continually the development of contingent assets. If it has become virtually certain that an inflow of economic benefits will arise, the Group recognises the asset and the related income in the consolidated financial statements in the reporting period in which the change occurs.

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 or the amount of the obligation cannot be measured with sufficient reliability.

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.

2.23 Revenue recognition

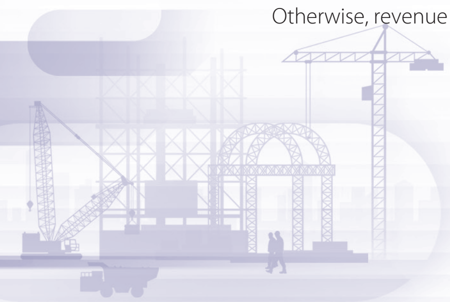
The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

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

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

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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



2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.23 Revenue recognition (continued)

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

In respect of contract modifications, including changes in the scope or price (or both) of a contract that is approved by the parties to the contract, that are not accounted for as separate contracts, the promised goods or services that are not yet transferred at the date of the contract modification (i.e. the remaining promised goods or services) which are not distinct and, therefore, form part of a single performance obligation that is partially satisfied at the date of the contract modification, are accounted for by treating the contract modification as if it were a part of the existing contract. The effect that the contract modification has on the transaction price, and on the Group's measure of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) at the date of the contract modification (i.e. the adjustment to revenue is made on a cumulative catch-up basis).

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

A contract liability is recognised when the amounts received from a customer exceed revenue recognised for a contract or when advance payment is received from a customer before a good or service is transferred.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Revenue from construction contracts is described in the accounting policy on construction contracts below.

Interest income from a financial asset is accrued on a time basis using the effective interest method, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.24 Construction contracts

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

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the output method, based on direct measurement of the value of contract work performed, provided that the value of contract work performed can be measured reliably. The value of contract work performed is measured according to the completion of specific detailed components as set out in the contract. Variations in contract work are recognised as contract revenue to the extent that the modification has been approved by the parties to the contracts and it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

2.25 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities and current liabilities as deferred income and credited to profit or loss on a straight-line basis over the expected useful lives of the related assets.

2.26 Leases

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.26 Leases (continued)

The Group leases various premises and car parks and rental contracts are typically made for fixed periods of 12 to 36 months. In addition, the Group also leases certain machineries for its operation. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments).

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and any lease payments made at or before the commencement date. Depreciation on right-of-use assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated lease period.

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

The Group leased certain of its machineries and derived rental income. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statement of financial position based on their nature.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 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 of the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the 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 of a parent, subsidiary or fellow subsidiary of 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 key management personnel of the entity (or of a parent of the entity); and

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealing with the entity.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities exposed it to a variety of financial risks: interest rate risk, credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing financial assets.

Other than bank balances with variable interest rates, the Group has no other significant interest-bearing assets. Management does not anticipate 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 currently does not hedge its exposure to the interest rate risk as the management of the Group considers that the risk is insignificant.

Credit risk

Credit risk arises mainly from contract assets, trade and other receivables, pledged bank deposits and bank balances. The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at the reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

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

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of project individually and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

Credit risk (continued)

The loss allowance for trade receivables was determined as follows:

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total
As at 31 March 2026						
Expected credit loss rate	**0.13%**	**0.26%**	**0.42%**	**–**	**83.3%**	
Gross carrying amount — trade receivables	**13,596**	**2,336**	**4,767**	**–**	**6,701**	**27,400**
Loss allowance	**18**	**6**	**20**	**–**	**5,581**	**5,625**
As at 31 March 2025						
Expected credit loss rate	0.20%	0.18%	–	0.13%	64.13%	
Gross carrying amount — trade receivables	17,158	8,871	–	2,296	8,693	37,018
Loss allowance	34	16	–	3	5,575	5,628

The closing loss allowance for trade receivables and contract assets as at 31 March 2026 and 2025 reconciled to the opening loss allowance 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$'000	Contract assets Life-time ECL (credit impaired) HK$'000	Total HK$'000
As at 1 April 2024	36	182	50	1,377	1,645
Loss allowance recognised in profit or loss during the year	24	5,386	341	3,472	9,223
As at 31 March 2025 and 1 April 2025	60	5,568	391	4,849	10,868
Loss allowance (reversed)/ recognised in profit or loss during the year	(3)	–	(37)	486	446
As at 31 March 2026	**57**	**5,568**	**354**	**5,335**	**11,314**

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

Credit risk (continued)

The Group performs impairment assessment under the ECL model on other receivables, pledged bank deposits and bank balances. The ECL on these assets are based on 12m ECL as there have been no significant increase in credit risk since initial recognition.

The credit risk on other receivables is limited because the counterparties have no historical default record and the directors are of the opinion the risk of default by the counterparties of other receivables is not significant. Based on the average loss rate, the 12m ECL on other receivables is considered to be insignificant and therefore no loss allowance was recognised.

The credit risk of pledged bank deposits and bank balances is limited because the counterparties are banks with sound credit ratings assigned by international credit-rating agencies. Based on the average loss rate, the 12m ECL on pledged bank deposits and bank balances is considered to be insignificant and therefore no loss allowance was recognised.

As at 31 March 2026, there were 3 (2025: 5) customers which individually contributed over 10% of the Group's trade receivables and contract assets. The aggregate amounts of trade receivables and contract assets from these customers amounted to approximately 78% (2025: 87%) of the Group's total trade receivables and contract assets as at 31 March 2026.

Other than concentration of credit risk on liquid funds which are deposited with banks with sound credit ratings or good reputation and on trade receivables and contract assets as disclose above, the Group does not have any other significant concentration of credit risk.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet their liquidity requirements in the short and long terms. Management believes there is no significant liquidity risk as the Group has sufficient financial resources to fund their operations.

The following table details the remaining contractual maturities at the reporting date of the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group may be required to pay:

	Weighted average effective interest rate %	On demand or within one year HK$'000	More than 1 year but less than 2 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
As at 31 March 2026					
Trade and other payables	**–**	**22,603**	**–**	**22,603**	**22,603**
Lease liabilities	**5.69**	**343**	**72**	**415**	**403**
		22,946	**72**	**23,018**	**23,006**
As at 31 March 2025					
Trade and other payables	–	44,034	–	44,034	44,034
Lease liabilities	5.9	474	158	632	606
		44,508	158	44,666	44,640

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, to support the Group's stability and growth; to earn a margin commensurate with the level of business and market risks in the Group's operations and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the total interest-bearing liabilities (which included lease liabilities) divided by the total equity.

The gearing ratios of the Group are as follows:

	2026 HK$'000	2025 HK$'000
Total borrowings	**403**	606
Total equity	**143,385**	140,020
Gearing ratio	**0.28%**	0.43%

3.3 Fair values estimates

The fair value measurements are categorised under the three-level fair value hierarchy as defined in *HKFRS 13 Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The Group has no financial instrument measured at fair value subsequent to initial recognition on a recurring basis as at 31 March 2026 and 2025.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position are not materially different from their fair values at 31 March 2026 and 2025.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Impairment of trade receivables and contract assets

The loss allowances for trade receivables and contract assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Progress towards completion of construction works

The Group recognises its contract revenue over time by reference to the progress towards complete satisfaction of a performance obligation of the end of the reporting period, measured based on the surveys of work performed to date of the individual contract of construction works relative to total contract value. Because of the nature of the activity undertaken in construction contracts, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Group reviews and revises the estimates of contract revenue, contract costs and variation orders prepared for each construction contract as the contract progresses. Management regularly reviews the progress of the contracts and the corresponding costs of the contract revenue.

5. REVENUE, OTHER INCOME AND OTHER GAINS AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents construction contract receipts in the ordinary course of business. Revenue recognised during the year are as follows:

	2026 HK$'000	2025 HK$'000
Revenue		
Main contracting	**83,273**	117,130
Sub-contracting	**77,131**	49,125
	160,404	166,255
Other income and other gains		
Project management fee	**808**	4,461
Gain on disposal of property, plant and equipment	**37**	10
Interest income	**1,656**	3,585
Sales of scrap materials	**–**	168
Government grants		
— Amortisation of deferred income (Note (a))	**826**	140
Rental income	**176**	213
Others	**366**	191
	3,869	8,768

Note:

(a) During the year ended 31 March 2026, the Group recognised government grants of approximately HK$826,000 (2025: approximately HK$140,000) relating to the purchase of machinery in respect of the Construction Innovation and Technology Fund supported by the Hong Kong Government. All grants are recognised when there is reasonable assurance that the Group is complied with the conditions attaching and that the grants will be received.

Disaggregation of revenue from contracts with customers

	2026 HK$'000	2025 HK$'000
Timing of revenue recognition		
Over-time	**160,404**	166,255
Types of goods and services		
Foundation work services	**160,404**	166,255

5. REVENUE, OTHER INCOME AND OTHER GAINS AND SEGMENT INFORMATION (CONTINUED)

Performance obligations for contracts with customers

The Group provides foundation work services to customers. Such services are recognised as a performance obligation satisfied over-time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue for these services is therefore recognised over-time using output method, i.e. based on surveys of the relevant services completed by the Group to date with reference to certificates issued by customers or payment applications. The directors of the Company consider that output method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations in these contracts under HKFRS 15.

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

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2026 and 2025 and the expected timing of recognising revenue are as follows:

	Foundation work services 2026 HK$'000	Foundation work services 2025 HK$'000
Within one year	**191,720**	143,622

Segment information

The chief operating decision-maker has been identified as the board of directors of the Company. The board of directors regards the Group's business as a single operating segment and reviews consolidated financial statements accordingly. Also, the Group only engages its business in Hong Kong and all the non-current assets of the Group are located in Hong Kong. Therefore, no segment and geographical information is presented.

Information about the major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	2026 HK$'000	2025 HK$'000
Customer A	**43,020**	26,210
Customer B	**17,434**	17,037
Customer C	**16,775**	–[1]
Customer D	**–[1]**	37,508
Customer E	**–[1]**	27,293
Customer F	**–[1]**	22,516

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

6. FINANCE COST

	2026 HK$'000	2025 HK$'000
Interest on lease liabilities	**33**	30

7. LOSS BEFORE INCOME TAX

	2026 HK$'000	2025 HK$'000
Included in direct costs:		
Depreciation of property, plant and equipment	**4,824**	5,466
Staff costs	**24,522**	23,983
Included in administrative and other operating expenses:		
Auditors' remuneration		
— Audit services	**720**	760
— Non-audit services	**120**	120
Depreciation of property, plant and equipment	**1,664**	1,896
Depreciation of right-of-use assets	**591**	334
Expense relating to short-term leases not included in the measurement of lease liabilities	**2,998**	2,997
Staff costs, including directors' emoluments	**22,105**	20,464

8. EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

	2026 HK$'000	2025 HK$'000
Salaries and allowances	**46,057**	43,787
Retirement scheme contributions		
— Defined contribution plan	**570**	660
	46,627	44,447

The Group operates a defined contribution scheme in Hong Kong which comply with the requirements under the Mandatory Provident Fund ("**MPF**") Schemes Ordinance. Contributions are made based on a percentage of the employee's basic salaries, subject to cap of monthly relevant income of HK$30,000, and are charged to the consolidated statement of profit or loss as they have payable in accordance with the rules of the MPF scheme. All assets under the scheme are held separately from the Group under independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF scheme.

During the years ended and as at 31 March 2026 and 2025, no contribution was forfeited (by the Group on behalf of its employees who leave the defined contribution schemes prior to vesting fully in such contributions) and was utilised by the Group to reduce the current level of contributions.

9. BENEFITS AND INTEREST OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive for the years ended 31 March 2026 and 2025 is set out below:

	Fees	Salaries, allowances and other benefits in kind	Discretionary bonuses (Note)	Retirement scheme contributions	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 March 2026					
Executive directors					
Mr. YH Wong	**510**	**3,729**	**2,500**	**–**	**6,739**
Mr. Tony Wong (Chief executive officer)	**500**	**2,594**	**900**	**18**	**4,012**
Mr. Lai Kwok Fai (Resigned on 27 October 2025)	**286**	**1,822**	**2,500**	**–**	**4,608**
Ms. To Kit Man (Appointed on 3 December 2024)	**240**	**941**	**300**	**18**	**1,499**
Ms. Wong Nga Ling Kitty (Appointed on 30 June 2025)	**221**	**–**	**–**	**–**	**221**
Independent non-executive directors					
Mr. Law Ka Ho	**165**	**–**	**–**	**–**	**165**
Mr. Leung Wai Lim	**165**	**–**	**–**	**–**	**165**
Mr. Tam Wai Tak Victor	**165**	**–**	**–**	**–**	**165**
	2,252	**9,086**	**6,200**	**36**	**17,574**
Year ended 31 March 2025					
Executive directors					
Mr. YH Wong	510	2,260	4,000	–	6,770
Mr. Tony Wong (Chief executive officer)	500	1,623	2,000	18	4,141
Mr. Lai Kwok Fai (Resigned on 27 October 2025)	500	1,623	2,000	–	4,123
Ms. To Kit Man (Appointed on 3 December 2024)	79	295	138	6	518
Independent non-executive directors					
Mr. Law Ka Ho	161	–	–	–	161
Mr. Leung Wai Lim	161	–	–	–	161
Mr. Tam Wai Tak Victor	161	–	–	–	161
	2,072	5,801	8,138	24	16,035

During the year ended 31 March 2026, 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 ended 31 March 2026 (2025: Nil).

Note: Discretionary bonuses were determined with reference to the Group's operating results and individual performance for the years ended 31 March 2026 and 2025.

For the year ended 31 March 2026

9. BENEFITS AND INTEREST OF DIRECTORS (CONTINUED)

(b) Five highest paid individuals

Of the five individuals with the highest emoluments, 4 (2025: 4) of them are directors of the Company whose emoluments are disclosed above. The emoluments in respect of the remaining 1 (2025: 1) highest paid individuals are as follows:

	2026 HK$'000	2025 HK$'000
Salaries, allowances and other benefits in kind	**948**	948
Discretionary bonuses	**84**	84
	1,032	1,032

The emoluments fell within the following bands:

	Number of individuals	
	2026	2025
HK$1,000,001 – HK$1,500,000	**1**	1

During the years ended 31 March 2026 and 2025, no emoluments were paid by the Group to the above highest paid individuals as (i) an inducement to join or upon joining the Group or (ii) as compensation for loss of office as a director or management of any members of the Group.

10. INCOME TAX CREDIT

	2026 HK$'000	2025 HK$'000
Current income tax		
— Hong Kong profits tax	**–**	–
Deferred tax credit (Note 28)	**(2,843)**	(1,365)
	(2,843)	(1,365)

Hong Kong profits tax is calculated at a rate of 16.5% of the estimated assessable profits for both years. No provision for Hong Kong profits tax has been made as the Group had no assessable profit arising in or derived from Hong Kong for both years.

10. INCOME TAX CREDIT (CONTINUED)

The taxation on the Group's loss before income tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

	2026 **HK$'000**	2025 HK$'000
Loss before income tax	**(17,354)**	(7,058)
Calculated at a tax of 16.5%	**(2,863)**	(1,164)
Tax effects of:		
— Income not subject to tax	**(296)**	(564)
— Expenses not deductible for tax purposes	**621**	605
— Temporary difference not recognised	**(33)**	(21)
— Utilisation of previously unrecognised tax losses	**(23)**	(470)
— Tax loss not recognised	**–**	249
— Recognition of previously unrecognised tax losses	**(249)**	–
Income tax credit	**(2,843)**	(1,365)

11. LOSS PER SHARE

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

	2026 **HK$'000**	2025 HK$'000
Loss		
Loss for the purposes of basic and diluted loss per share:		
Loss for the year attributable to owners of the Company	**(14,511)**	(5,693)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**421,187,215**	400,000,000
Basic and diluted loss per share (HK cents)	**(3.45)**	(1.42)

Note:

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 March 2026 has been adjusted for the effects of subscription of rights issue of shares completed (as detailed in Note 21).

The diluted loss per share were the same as the basic loss per share as there were no dilutive potential ordinary shares in issue during the years ended 31 March 2026 and 2025.

12. DIVIDENDS

No dividend was paid or proposed by the Board for the year ended 31 March 2026 (2025: Nil).

13. SUBSIDIARIES

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

Name of subsidiary	Place of incorporation/ operations	Issued and fully paid-up share capital	Proportion of ownership interest held by the Company	Principal activities
Umma Floral Limited ("**Umma Floral**")	BVI	United States Dollars ("**US$**") 10,500,000	100% (direct)	Investment holding
Hop Kee Construction Company Limited ("**Hop Kee Construction**")	Hong Kong	HK$50,000,000	100% (indirect)	Provision of foundation works in Hong Kong
Hop Kee Machinery Transportation Company Limited ("**Hop Kee Machinery**")	Hong Kong	HK$30,000,000	100% (indirect)	Acquisition and holding of plant and machinery of the Group
Hop Kee Construction Company Limited ("**Hop Kee Construction (BVI)**")	BVI	US$1	100% (indirect)	Handling intellectual property and other administrative matters of the Group

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and office equipment HK$'000	Plant, machinery and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost					
As at 1 April 2024	–	555	59,678	7,908	68,141
Additions	455	17	9,733	295	10,500
Disposals/written off	–	–	(460)	(216)	(676)
As at 31 March 2025	455	572	68,951	7,987	77,965
Accumulated depreciation					
As at 1 April 2024	–	(538)	(50,620)	(4,403)	(55,561)
Charge for the year (Note 7)	(152)	(6)	(5,328)	(1,876)	(7,362)
Eliminated on disposals/written off	–	–	460	216	676
As at 31 March 2025	(152)	(544)	(55,488)	(6,063)	(62,247)
Net book value					
As at 31 March 2025	303	28	13,463	1,924	15,718
Cost					
As at 1 April 2025	455	572	68,951	7,987	77,965
Additions	–	28	4,047	680	4,755
Disposals/written off	–	–	(470)	(120)	(590)
As at 31 March 2026	**455**	**600**	**72,528**	**8,547**	**82,130**
Accumulated depreciation					
As at 1 April 2025	(152)	(544)	(55,488)	(6,063)	(62,247)
Charge for the year (Note 7)	(227)	(11)	(4,682)	(1,568)	(6,488)
Eliminated on disposals/written off	–	–	470	32	502
As at 31 March 2026	**(379)**	**(555)**	**(59,700)**	**(7,599)**	**(68,233)**
Net book value					
As at 31 March 2026	**76**	**45**	**12,828**	**948**	**13,897**

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15. RIGHT-OF-USE ASSETS

	Leased property HK$'000	Car parks HK$'000	Total HK$'000
As at 31 March 2026			
Carrying amount	**150**	**312**	**462**
As at 31 March 2025			
Carrying amount	601	–	601
For the year ended 31 March 2026			
Depreciation charge (Note 7)	**(451)**	**(140)**	**(591)**
For the year ended 31 March 2025			
Depreciation charge (Note 7)	(300)	(34)	(334)

The right-of-use assets are depreciated over the lease term.

	2026 HK$'000	2025 HK$'000
Depreciation of right-of-use assets	**591**	334
Expense related to short-term leases	**2,998**	2,997
Total cash outflow for leases	**3,686**	3,313
Addition to right-of-use asset	**452**	901

For the year ended 31 March 2026, the Group leases staff quarters and car parks for its operations. Lease contracts are entered into for fixed term of 2 to 3 years (2025: 2 years). Lease term are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellation period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Short-term leases are leases related to office premises, car parks and warehouse.

16. FINANCIAL INSTRUMENTS BY CATEGORY

	2026 **HK$'000**	2025 HK$'000
Financial assets		
At amortised cost		
Trade and other receivables excluding prepayments	**28,901**	54,214
Pledged bank deposits	**12,297**	7,160
Bank balances and cash	**74,315**	85,242
	115,513	146,616
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**22,603**	44,034
Lease liabilities	**403**	606
	23,006	44,640

17. CONTRACT ASSETS

	2026 **HK$'000**	2025 HK$'000
Contract assets	**39,970**	44,139
Less: allowance for credit losses	**(5,689)**	(5,240)
	34,281	38,899

As at 1 April 2024, contract assets amounted to approximately HK$40,342,000.

Contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on factors other than passage of time. The amounts represent the Group's rights to considerations from customers for foundation work services, which arise when: (i) the Group completed the relevant construction works under such contracts and pending for the certification by the customers; or (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for defect liability period after completion of the relevant works. The contract assets are transferred to trade receivables when the rights become unconditional.

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

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for contract assets. To measure the expected credit losses, contract assets have been grouped based on same credit risk characteristics.

See Note 3.1 for further information about expected credit loss provision.

For the year ended 31 March 2026

18. TRADE AND OTHER RECEIVABLES

	2026 HK$'000	2025 HK$'000
Trade receivables	**27,400**	37,018
Less: allowance for credit losses	**(5,625)**	(5,628)
	21,775	31,390
Other receivables, deposits and prepayments	**11,688**	24,191
	33,463	55,581

As at 1 April 2024, trade receivables amounted to approximately HK$35,575,000.

Notes:

(a) The credit period granted to customers ranges from 30 to 45 days (2025: 21 to 45 days) generally. Trade receivables are denominated in HK$.

(b) The ageing analysis of the trade receivables, net of allowance for credit losses based on date of payment certificates issued by customers or invoice date, whichever is applicable, are as follows:

	2026 HK$'000	2025 HK$'000
0–30 days	**10,342**	17,124
31–60 days	**5,566**	8,855
61–90 days	**4,747**	–
Over 90 days	**1,120**	5,411
	21,775	31,390

(c) See Note 3.1 for details about expected credit loss provision.

(d) Included in the other receivables, deposits and prepayments at 31 March 2026 are cash collateral of HK$4,653,000 (2025: HK$7,857,000) placed with insurance companies in Hong Kong for the provision of the surety bonds for certain of the Group's construction projects (Note 32). Also, including a rental prepayment of approximately HK$266,000 (2025: Nil) and HK$1,202,000 (2025: Nil) to the related companies, Hop Kee Development Co., Limited and Shun Tai Holdings Limited, respectively. The relationship is disclosed in Note 30(a).

(e) As at 31 March 2026, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK$8,197,000 (2025: approximately HK$14,266,000) which are past due at the reporting date.

19. PLEDGED BANK DEPOSITS

	2026 HK$'000	2025 HK$'000
Pledged bank deposits (Note)	**12,297**	7,160

Note: The effective interest rate for the pledged bank deposits are 1.90% (2025: 3.54%) per annum as at 31 March 2026. The carrying amount of pledged bank deposits are denominated in HK$. The bank deposits of approximately HK$5,077,000 (2025: approximately HK$5,000,000) had been pledged to bank as surety bond for faithful performance in accordance to the contract between the Group entity and the customer. For the remaining bank deposits of approximately HK$7,220,000 (2025: approximately HK$2,160,000) are pledged as banking facilities for the operations of the Group.

20. BANK BALANCES AND CASH

	2026 HK$'000	2025 HK$'000
Cash at banks	**28,933**	15,794
Bank deposits	**45,382**	69,448
Bank balances and cash	**74,315**	85,242

Notes:

(a) The Group had approximately HK$20,997,000 bank balances denominated in United States dollar as at 31 March 2026 (2025: approximately HK$19,448,000). Besides, the carrying amount of remaining bank balances and cash are denominated in HK$.

(b) Cash at banks earns interest at floating rates based on daily bank deposit rates.

(c) Bank deposits carry interest rate ranging from 1.04% to 3.1% (2025: 2.95% to 4%) per annum as at 31 March 2026 and with original maturities of ranging from two weeks to two months (2025: ranging from one week to three months).

21. SHARE CAPITAL

	Number of ordinary shares	Amount HK$'000
Authorised:		
Ordinary shares of HK$0.01 each (before share consolidation) and HK$0.10 each (after share consolidation)		
As at 1 April 2024	10,000,000,000	100,000
Share consolidation (Note a)	(9,000,000,000)	–
As at 31 March 2025, 1 April 2025 and 31 March 2026	**1,000,000,000**	**100,000**
Issued and fully paid:		
Ordinary shares of HK$0.01 each (before share consolidation) and HK$0.10 each (after share consolidation)		
As at 1 April 2024	4,000,000,000	40,000
Share consolidation (Note a)	(3,600,000,000)	–
As at 31 March 2025 and 1 April 2025	400,000,000	40,000
Issue of shares upon rights issue (Note b)	133,333,333	13,333
As at 31 March 2026	**533,333,333**	**53,333**

Notes:

(a) On 23 July 2024, the directors of the Company proposed to implement a share consolidation on the basis that every ten issued and unissued shares of HK$0.01 each would be consolidated into one consolidated share of HK$0.10 each.

Pursuant to an ordinary resolution passed on 13 September 2024, the share consolidation was approved by the shareholders of the Company and has become effective on 17 September 2024. Immediately after the share consolidation, the total number of issued share capital of the Company was adjusted from 4,000,000,000 to 400,000,000.

(b) On 2 February 2026, the Company completed rights issue and issued 133,333,333 rights shares at HK$0.14 each on the basis of one rights share for every three existing shares held on the record date, and the net proceeds of the rights issue, after deducting the professional fees and all other relevant expenses of approximately HK$790,000, were approximately HK$17,876,000.

22. RESERVES

Share premium

Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less expenses incurred in connection with the issue of the shares.

Merger reserve

Merger reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the reorganisation.

23. SHARE OPTION SCHEME

I. Purpose of the Scheme

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 3 September 2016. The Scheme is to attract and retain the best personnel, to provide additional incentive to the eligible participants under the Scheme.

II. Participants of the Scheme

Under the Scheme, the directors of the Company may at their absolute discretion and subject to the terms of the Scheme, grant options to any employees (full-time or part-time), directors, consultants, advisors, substantial shareholder, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the directors of the Company (or as the case maybe, the independent non-executive directors of the Company) from time to time on the basis of the directors' opinion as to their contribution or potential to the development and growth of the Group.

III. Limit of the Scheme

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The maximum number of shares issuable upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company as from the adoption date must not in aggregate exceed 10% of all the shares in issue upon the date on which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at anytime by approval of the Company's shareholders in general meeting provided that the total number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit.

IV. Maximum entitlement of each participants

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme or any other share option schemes of the Company in any 12-month period up to date of grant shall not exceed 1% of the shares of the Company in issue. Where any further grant of options to a participant under the Scheme would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his/her close associates abstaining from voting.

23. SHARE OPTION SCHEME (CONTINUED)

V. Maximum entitlement of each core connected persons

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective close associates must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective close associates would result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK$5 million must be approved by the Company's shareholders at the general meeting of the Company, with voting to be taken by way of poll.

VI. Acceptance of offer for grant

The offer of a grant of share options might be accepted in writing within 7 days from the date of the offer. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the directors may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof. A nominal consideration of HK$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer (which shall not be later than 7 days from the date of the offer).

VII. Exercise price

The exercise price per share option shall be a price solely determined by the board of directors of the Company and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the offer date; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date; and (iii) the nominal value of the Company's share on the offer date.

VIII. Vesting period and performance targets

Unless otherwise determined by the directors of the Company and stated in the offer to a grantee, a grantee is not required to hold a share option for any minimum period nor achieve any performance targets before the exercise of a share option granted to him.

IX. Remaining life of the Scheme

The Scheme shall be valid and effective for a period of 10 years commencing on 3 September 2016 and ending on 2 September 2026, subject to early termination provisions contained in the Scheme. As at the date of this report, the Scheme has a remaining life of approximately three months.

X. General

The total number of shares available for issue under the Scheme is 40,000,000, representing approximately 7.5% of the total number of issued shares of the Company as at the date of this report.

As at 1 April 2025 and 31 March 2026, being the beginning and the end of the year ended 31 March 2026, respectively, the number of share options available for grant under the Scheme was 40,000,000, representing approximately 7.5% of the total number of issued shares of the Company as at the date of this report.

No share options were granted, exercised, cancelled or lapsed since the adoption of the Scheme and there were no share options outstanding as at 31 March 2026 and 2025.

24. TRADE AND OTHER PAYABLES

	2026 **HK$'000**	2025 HK$'000
Trade payables	**6,474**	23,097
Retention payables	**8,796**	11,092
Accruals and other payables	**7,333**	9,845
	22,603	44,034

Notes:

(a) Payment terms granted by suppliers are generally within one month (2025: two months).

The ageing analysis of trade payables based on the invoice date are as follows:

	2026 **HK$'000**	2025 HK$'000
0–30 days	**5,613**	22,093
31–60 days	**21**	206
61–90 days	**43**	–
Over 90 days	**797**	798
	6,474	23,097

(b) Retention payables to sub-contractors of contract works are interest-free and payable by the Group after the completion of maintenance period for periods ranging from 6 months to 1 year from completion of the relevant works.

(c) All trade and other payables are denominated in HK$.

25. DEFERRED INCOME

	2026 **HK$'000**	2025 HK$'000
Non-current		
Government grant	**2,781**	820
Current		
Government grant	**937**	240

During the year ended 31 March 2026, the Group received a government subsidy of approximately HK$3.5 million (2025: approximately HK$1.2 million) towards the purchase cost of foundation drill. The amount has been treated as deferred income. The amount is transferred to income over the useful lives of the relevant assets. This policy has resulted in a credit to income in the current year of HK$826,000 (2025: approximately HK$140,000). As at 31 March 2026, an amount of approximately HK$3,718,000 (2025: approximately HK$1,060,000) remains to be amortised.

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26. LEASE LIABILITIES

The Group's lease liabilities arise from lease property in Hong Kong for fixed term of 2 to 3 years (2025: 2 years). Interest rates underlying the lease is fixed at respective contract rates ranging from 5.0% to 5.9% per annum (2025: 5.9%).

At 31 March 2026 and 2025, the Group had lease liabilities repayable as follows:

	2026		2025	
	Present value of the minimum lease payments HK$'000	**Total minimum lease payments HK$'000**	Present value of the minimum lease payments HK$'000	Total minimum lease payments HK$'000
Within 1 year	**332**	**343**	450	474
After 1 year but within 2 years	**71**	**72**	156	158
	403	**415**	606	632
Less: total future interest expenses		**(12)**		(26)
Present value of lease liabilities		**403**		606
Less: Amount due for settlement within one year	**(332)**		(450)	
Amount due for settlement after one year	**71**		156	

27. CONTRACT LIABILITIES

	2026 HK$'000	2025 HK$'000
Contract liabilities arising from:		
Performance under construction contracts	**1,660**	17,692

As at 1 April 2024, contract liabilities amounted to approximately HK$23,607,000.

27. CONTRACT LIABILITIES (CONTINUED)

Typical payment terms which impact on the amount of contract liabilities are as follows:

(i) Construction contracts

When the Group receives a deposit before the construction activity or receives advance payment during the construction activity, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit or advance payment.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	2026 **HK$'000**	2025 HK$'000
Revenue recognised from performance obligations satisfied in prior periods	**16,032**	13,385

28. DEFERRED TAX ASSETS/(LIABILITIES)

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

	2026 **HK$'000**	2025 HK$'000
Deferred tax assets	**4,129**	1,565
Deferred tax liabilities	**(1,075)**	(1,354)
	3,054	211

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	**ECL provision** HK$'000	**Tax losses** HK$'000	**Tax depreciation** HK$'000	**Total** HK$'000
As at 1 April 2024	(44)	–	1,198	1,154
(Credited)/charged to profit or loss (Note 10)	(1,521)	–	156	(1,365)
As at 31 March 2025 and 1 April 2025	(1,565)	–	1,354	(211)
Credited to profit or loss (Note 10)	(74)	(2,490)	(279)	(2,843)
As at 31 March 2026	**(1,639)**	**(2,490)**	**1,075**	**(3,054)**

As at 31 March 2026, the Group has estimated unused tax losses of approximately HK$22,286,000 (2025: approximately HK$8,845,000), which are available for offset against future profits that may be carried forward indefinitely and are subject to approval from the Hong Kong Inland Revenue Department. The Group has not recognised estimated unused tax losses of approximately HK$7,195,000 (2025: approximately HK$8,845,000) as deferred tax asset due to unpredictability of future profit streams for the year ended 31 March 2026.

28. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

As at 31 March 2026, the Group has deductible temporary differences of approximately HK$782,000 (2025: approximately HK$980,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of loss before income tax to cash generated from operations

	2026 HK$'000	2025 HK$'000
Loss before income tax	**(17,354)**	(7,058)
Adjustments for:		
Depreciation of property, plant and equipment	**6,488**	7,362
Depreciation of right-of-use assets	**591**	334
Finance cost	**33**	30
Amortisation of deferred income	**(826)**	(140)
(Reversal of impairment losses)/Impairment losses on trade receivables	**(3)**	5,410
Impairment losses on contract assets	**449**	3,813
Gain on disposal of property, plant and equipment	**(37)**	(10)
Interest income	**(1,656)**	(3,585)
Operating (loss)/profit before working capital changes	**(12,315)**	6,156
Decrease/(increase) in trade and other receivables	**22,210**	(10,067)
Increase in pledged bank deposits	**(5,137)**	(700)
Decrease/(increase) in contract assets	**4,169**	(2,370)
(Decrease)/increase in trade and other payables	**(21,431)**	13,259
Decrease in contract liabilities	**(16,032)**	(5,915)
Cash (used in)/generated from operations	**(28,536)**	363

(b) Cash outflows for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2026 HK$'000	2025 HK$'000
Within operating and financing cash flows	**3,686**	3,313

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29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities

The table below details the cash flow and non-cash flow changes in the Group's liabilities arising from financing activities. Except as disclosed below, there were non-cash changes in the Group's liabilities arising from financing activities.

	Lease liabilities HK$'000
As at 1 April 2024	–
Repayment of lease liabilities	(286)
Interest paid	(30)
Other changes:	
Interest expense on lease liabilities	30
New lease	892
As at 31 March 2025 and 1 April 2025	**606**
Repayment of lease liabilities	**(554)**
Interest paid	**(33)**
Other changes:	
Interest expense on lease liabilities	**33**
New lease	**351**
At 31 March 2026	**403**

30. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in making financial or operational decisions. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

(a) The directors of the Company are of the view that the following companies that had transactions with the Group are related parties:

Name	Relationship with the Group
Hop Kee Development Co., Limited	A related company owned by Mr. YH Wong and Ms. Choi Mei Chu, the spouse of Mr. YH Wong and the mother of Mr. Tony Wong, as to 50% and 50% respectively (Note (a))
Shun Tai Holdings Limited	A related company owned by Mr. YH Wong, Ms. Choi Mei Chu and Mr. Lai as to 40%, 30% and 30% respectively (Note (b))

Notes:

(a) Mr. Tony Wong transferred his 30% shareholding in Hop Kee Development Co., Limited to Ms. Choi Mei Chu on 27 June 2025.

(b) Mr. Tony Wong transferred his 30% shareholding interest in Shun Tai Holdings Limited to Ms. Choi Mei Chu on 15 August 2025.

30. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions with related parties during the year.

	Note	**2026 HK$'000**	2025 HK$'000
Rental of office and car parks paid to:			
Hop Kee Development Co., Limited	i	**532**	530
Short-term warehouse lease expense paid to:			
Shun Tai Holdings Limited	i	**2,404**	2,404

Note:

(i) The rental expenses for office premises, car parks and warehouse payable to the above related parties are based on the agreements entered into between the parties involved with lease term of 12 months.

(c) The emoluments of the directors (representing the key management personnel) during the years ended 31 March 2026 and 2025 are disclosed in Note 9.

31. CAPITAL COMMITMENTS

	2026 HK$'000	2025 HK$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
— Property, plant and equipment	**187**	1,155

32. SURETY BONDS AND CONTINGENT LIABILITIES

Certain customers of construction contracts undertaken by the Group require the Group entity to issue guarantees for the performance of contracts in the form of surety bonds secured by pledged bank deposits or a corporate indemnity issued by insurance companies secured by pledged deposit.

As at 31 March 2026, the Group has outstanding surety bonds of approximately HK$10,857,000 (2025: approximately HK$18,416,000). The surety bonds will be released upon completion of the contracting works.

Saved as disclosed above, as at 31 March 2026, the Group did not have any other material contingent liabilities.

33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

	2026 HK$'000	2025 HK$'000
ASSETS		
Non-current asset		
Investment in a subsidiary	**81,375**	81,375
Current assets		
Other receivables and prepayments	**192**	192
Bank balances	**1,834**	115
	2,026	307
Total assets	**83,401**	81,682
EQUITY		
Capital and reserves		
Share capital	**53,333**	40,000
Reserves	**27,837**	26,894
Total equity	**81,170**	66,894
LIABILITIES		
Current liabilities		
Accruals	**182**	176
Amounts due to subsidiaries	**2,049**	14,612
Total liabilities	**2,231**	14,788
Total equity and liabilities	**83,401**	81,682
Net current liabilities	**(205)**	(14,481)
Total assets less current liabilities	**81,170**	66,894

The Company's statement of financial position were approved and authorised for issue by the board of directors on 26 June 2026 and signed on its behalf by:

Mr. Wong Yan Hung
Director

Ms. To Kit Man
Director

33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Changes in equity of the Company

	Share Capital HK$'000	Share premium HK$'000	Merger reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
As at 1 April 2024	40,000	56,625	(2)	(26,377)	70,246
Loss and total comprehensive expense for the year	–	–	–	(3,352)	(3,352)
As at 31 March 2025 and 1 April 2025	40,000	56,625	(2)	(29,729)	66,894
Loss and total comprehensive expense for the year	–	–	–	(3,600)	(3,600)
Issue of shares upon rights issue	13,333	4,543	–	–	17,876
As at 31 March 2026	**53,333**	**61,168**	**(2)**	**(33,329)**	**81,170**

Summary of Financial Information

The financial summary of the Group for the last five years is set as follows:

RESULTS

	For the year ended 31 March				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**160,404**	166,255	333,430	312,906	242,292
Direct costs	**(147,305)**	(140,916)	(272,636)	(288,333)	(224,925)
Gross profit	**13,099**	25,339	60,794	24,573	17,367
Other income and other gains	**3,869**	8,768	4,391	1,865	1,539
Administrative and other operating expenses	**(33,843)**	(31,912)	(22,352)	(22,278)	(22,390)
(Impairment losses) /reversal of impairment losses on financial assets and contract assets, net	**(446)**	(9,223)	(52)	14,772	(1,011)
(Loss)/profit from operations	**(17,321)**	(7,028)	42,781	18,932	(4,495)
Finance cost	**(33)**	(30)	–	–	–
(Loss)/profit before income tax	**(17,354)**	(7,058)	42,781	18,932	(4,495)
Income tax credit/(expense)	**2,843**	1,365	(3,316)	–	–
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company	**(14,511)**	(5,693)	39,465	18,932	(4,495)

ASSETS AND LIABILITIES

	As at 31 March				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-current assets	**17,413**	16,530	12,614	16,800	14,377
Current assets	**154,356**	186,882	190,797	152,657	127,811
Non-current liabilities	**(2,852)**	(976)	(1,154)	–	–
Current liabilities	**(25,532)**	(62,416)	(56,544)	(63,209)	(54,872)
Equity attributable to owners of the Company	**143,385**	140,020	145,713	106,248	87,316