

上諭集團控股有限公司 SHEUNG YUE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1633



2025

ANNUAL REPORT

CONTENTS

Corporate Information	2
Chairman's Statement	3
Management Discussion and Analysis	4
Profiles of Directors and Senior Management	8
Report of the Directors	12
Corporate Governance Report	24
Environmental, Social and Governance Report	39
Independent Auditor's Report	57
Consolidated Statement of Profit or Loss and Other Comprehensive Income	63
Consolidated Statement of Financial Position	64
Consolidated Statement of Changes in Equity	66
Consolidated Statement of Cash Flows	67
Notes to the Consolidated Financial Statements	69
Five-Year Financial Summary	134



2 CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Lap Wai Gary

Mr. Chan Lap Chuen Edmond

Ms. Chan Chin Ying Amanda

Independent Non-executive Directors

Mr. Li Hon Hung, *BBS, MH, JP*

Mr. Cheng Chi Hung

Mr. Wong Yip Kong

AUDIT COMMITTEE

Mr. Cheng Chi Hung

Mr. Li Hon Hung, *BBS, MH, JP*

Mr. Wong Yip Kong

REMUNERATION COMMITTEE

Mr. Wong Yip Kong

Mr. Li Hon Hung, *BBS, MH, JP*

Mr. Cheng Chi Hung

NOMINATION COMMITTEE

Mr. Li Hon Hung, *BBS, MH, JP*

Mr. Cheng Chi Hung

Mr. Wong Yip Kong

AUTHORISED REPRESENTATIVES

Mr. Chan Lap Wai Gary

Mr. Wong King Sum

COMPANY SECRETARY

Mr. Wong King Sum

AUDITOR

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

24/F., Siu On Centre

188 Lockhart Road

Wan Chai

Hong Kong

LEGAL ADVISER

D. S. Cheung & Co.

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited

The Bank of East Asia Limited

Bank of China (Hong Kong) Limited

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 103–105, 1/F

New East Ocean Centre

9 Science Museum Road

Tsim Sha Tsui East

Kowloon

Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

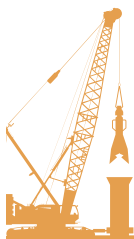
Cayman Islands

WEBSITE

www.simonandsons.com.hk

STOCK CODE

1633



Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Sheung Yue Group Holdings Limited (the “**Company**”), it gives me great pleasure to present you the audited financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2025 (the “**Reporting Period**”).

The Group has over 54 years of experience in the provision of foundation works and ancillary services in Hong Kong and Macau. We are a well-established contractor with job references both in large scale infrastructure projects and in housing and commercial buildings development in both private and public sectors. The commitment of our strong and dedicated management team to provide quality work and service has played a vital role in building up the Group's reputation for its excellence in expertise and experience.

Looking forward, the global economic landscape is expected to remain uncertain, with persistent challenges such as geopolitical tensions, trade disruptions, and inflationary pressures continuing to impact growth. These factors contribute to a cautious outlook for global trade and investment in the near term. Despite these headwinds, the Hong Kong government's proactive initiatives, including talent attraction programs and labor importation schemes, are anticipated to enhance the city's competitiveness and capacity. Additionally, the successful attraction of strategic enterprises is expected to bring in capital and talent, thereby supporting housing demand in Hong Kong. Furthermore, the implementation of significant government-led infrastructure projects, such as the Northern Metropolis, is poised to drive demand for construction and foundation works, creating a conducive environment for the Group to sustain and grow its core businesses in the coming years.

Despite the immediate challenges, the Directors believe that the Group is well-positioned to capitalise on new project opportunities in the upcoming year, leveraging the favorable policy environment. The Group will remain vigilant in monitoring market developments, adopt a prudent approach in assessing potential business opportunities, and strive to drive continuous business growth, diversify revenue streams, and maximise returns for our shareholders.

On behalf of the Board, I would like to take this opportunity to extend my sincere appreciation to our shareholders, customers and suppliers for their continuous support, as well as the management team and the staff of the Group for their hard work and contributions in the past year.

The Board declares no final dividend for the year under review.

Mr. Chan Lap Wai Gary

Chairman

Hong Kong, 30 June 2025



4 MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 March 2025 (the “**Year**”), the Group was engaged in the provision of foundation works in Hong Kong and Macau. The scope of foundation works undertaken by us mainly includes piling construction, ELS works, pile cap construction, site formation and ancillary services (such as loading test and construction machinery leasing services).

As at 31 March 2025, there are 8 projects on hand with total contract sum amounting to approximately HK\$350,469,000, all of which are expected to be completed in the forthcoming financial year.

PROSPECTS

Looking forward, the global economic landscape is expected to remain uncertain, with persistent challenges such as geopolitical tensions, trade disruptions, and inflationary pressures continuing to impact growth. These factors contribute to a cautious outlook for global trade and investment in the near term. Despite these headwinds, the Hong Kong government’s proactive initiatives, including talent attraction programs and labour importation schemes, are anticipated to enhance the city’s competitiveness and capacity. Additionally, the successful attraction of strategic enterprises is expected to bring in capital and talent, thereby supporting housing demand in Hong Kong. Furthermore, the implementation of significant government-led infrastructure projects, such as the Northern Metropolis, is poised to drive demand for construction and foundation works, creating a conducive environment for the Group to sustain and grow its core businesses in the coming years.

Despite the immediate challenges, the Directors believe that the Group is well-positioned to capitalise on new project opportunities in the upcoming year, leveraging the favorable policy environment. The Group will remain vigilant in monitoring market developments, adopt a prudent approach in assessing potential business opportunities, and strive to drive continuous business growth, diversify revenue streams, and maximise returns for our shareholders.

FINANCIAL REVIEW

Revenue

The Group’s total revenue for the Year was approximately HK\$264,770,000 (for the year ended 31 March 2024 (the “**Previous Year**”): approximately HK\$361,257,000), representing a decrease of approximately 26.7% over the Previous Year. The decrease in our revenue was mainly due to the less foundation work projects undertaken by the Group during the Year.

Gross Profit and Gross Profit Margin

The Group's gross profit amounted to approximately HK\$18,982,000 for the Year (for the Previous Year: approximately HK\$31,248,000). The Group's gross profit margin during the Year was approximately 7.2% (for the Previous Year: approximately 8.6%).

The decrease in gross profit margin was mainly due to lower gross profit derived from the new projects commenced and the increase of subcontracting cost involved during the Year.

Other Income

The Group's other income for the Year were approximately HK\$3,442,000 (for the Previous Year: approximately HK\$3,378,000), representing an increase of approximately 1.9% compared to the Previous Year.

Other Gains, Net

The Group's other gains, net for the Year were approximately HK\$403,000 (for the Previous Year: approximately HK\$6,000). This was primarily attributed to gain on disposal of plant and equipment, gain on disposal of financial asset at financial assets at fair value through profit or loss and gain on early termination of lease.

General and Administrative Expenses

The Group's administrative expenses for the Year were approximately HK\$22,683,000 (for the Previous Year: approximately HK\$23,874,000), representing a decrease of approximately 5.0% compared to the Previous Year. This was mainly due to the decrease in staff salaries and bonus of head office during the Year.

Income Tax

There was no income tax for the Year of the Group (for the Previous Year: Nil).

Net Loss/Profit

As a result of the abovementioned, the Group reported a net loss for the Year of approximately HK\$9,652,000 (for the Previous Year: net profit approximately HK\$4,286,000).

Trade and Other Receivables

Trade and other receivables decreased by approximately 45.3% from approximately HK\$103,622,000 as at 31 March 2024 to approximately HK\$56,677,000 as at 31 March 2025. This was mainly due to the decrease in advances to certain subcontractors.



6 MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity, Financial Resources and Capital Structure

As at 31 March 2025, the Group had bank balances of approximately HK\$13,108,000 (as at 31 March 2024: approximately HK\$17,307,000). The interest-bearing debts of the Group as at 31 March 2025 was approximately HK\$69,485,000 (as at 31 March 2024: approximately HK\$114,434,000). The gearing ratio was calculated based on the amount of bank and other loans, and lease liabilities divided by total equity. The gearing ratio of the Group as at 31 March 2025 was approximately 40.5% (as at 31 March 2024: approximately 63.1%), as a result of the decrease in bank and other loans, and lease liabilities during the Year.

Pledge of Assets

The Group's plant and machinery and right-of-use assets with an aggregate net book value as at 31 March 2025 held under leases and other loan was Nil (as at 31 March 2024: HK\$9,989,000).

As at 31 March 2025, the Group banking facilities were secured by the Group's bank deposits amounting to HK\$2,000,000 (as at 31 March 2024: HK\$2,014,000).

Foreign Exchange Risk

The Group mainly operates in Hong Kong and most of the operating transactions (such as revenue, expenses, monetary assets and liabilities) are denominated in Hong Kong dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the Year.

Employees and Remuneration Policy

As at 31 March 2025, the Group employed 43 employees (as at 31 March 2024: 161 employees). Total remuneration costs including Directors' emoluments for the Year amounted to approximately HK\$37,939,000 (for the Previous Year: approximately HK\$65,394,000). The salary and benefit levels of the employees of the Group are competitive and individual performance is rewarded through the Group's salary and bonus system. The Group conducts annual review on salary increase, discretionary bonuses and promotions based on the performance of each employee.

During the Year, the Group has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff.

Capital Commitments

The Group did not have capital commitments in respect of acquisition of plant and equipment as at 31 March 2025 (as at 31 March 2024: Nil).

Performance Bonds

As at 31 March 2025, the Group has given guarantees on performance bonds issued by financial institutions of approximately HK\$11,439,000 (as at 31 March 2024: HK\$11,439,000) in respect of 2 (as at 31 March 2024: 2) construction contracts of the Group in its ordinary course of business. This performance bonds are expected to be released in accordance with the terms of the respective construction contracts.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

No purchase, sale or redemption of the Company's listed securities was made by the Company or its subsidiaries (including sale of treasury shares (as defined in the Listing Rules)) from the Listing Date and up to the date of this report.

Compliance with the Corporate Governance Code

The Group is committed to uphold high standards of corporate governance. The Board considers that enhanced public accountability and corporate governance are beneficial to the healthy growth of the Group, improving customer and supplier confidence and safeguarding the interests of the shareholders of the Company.

The Company had complied with all applicable code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules from the Listing Date and up to the date of this report.

Compliance with the Model Code

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**"). In response to a specific enquiry by the Company, all Directors have confirmed that they complied with the requirements of the Model Code since the Listing Date and up to the date of this report.

Audit Committee

The Company has established an audit committee (the "**Audit Committee**") in accordance with the requirements of the Listing Rules with terms of reference aligned with the provision of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Audit Committee is to serve as a focal point for communication between other Directors, the external auditors, and the management as their duties relate to financial and other reporting, internal controls and the audit; and to assist the Board in fulfilling its responsibilities by providing an independent review of financial reporting and make themselves satisfied as to the effectiveness of the Company's internal controls and as to the efficiency of the audits. The Audit Committee comprises three independent non-executive Directors, namely Mr. Cheng Chi Hung (chairman), Mr. Li Hon Hung, *BBS, MH, JP* and Mr. Wong Yip Kong.

Publication of Annual Report

This report will be despatched to the shareholders of the Company and is available on the websites of the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in due course.



8 PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. CHAN Lap Wai Gary (陳立緯先生), aged 67, is our Chairman, executive Director and a director of Favourable Year Limited (“**Favourable Year**”), Rainbow Republic Limited (“**Rainbow Republic**”), Simon & Sons Engineering Limited (“**Simon & Sons**”) and Simon & Sons Engineering (Macau) Limited (“**Simon & Sons (Macau)**”). He is also one of our controlling shareholders. Mr. Gary Chan has over 45 years of experience in the building and construction industry in Hong Kong and is primarily responsible for the formulation of the overall business development strategy and the overall management and major business decisions of our Group. Between September 1980 and October 1986, Mr. Gary Chan worked as an assistant manager in Simon Construction & Engineering Company, a sole proprietorship principally engaged in piling works as a registered contractor in Hong Kong and established by Mr. Simon Chan, our founder, and was responsible for the general management of projects, formulating company policies and advising our managers and supervisors. Since November 1986, Mr. Gary Chan has been the executive director, and later re-designated as the managing director, of Simon & Sons, our principal operating subsidiary, and has been responsible for the overall business operations. Furthermore, since April 2002, Mr. Gary Chan has been a director of Simon & Sons (Macau), one of our operating subsidiaries, and is responsible for overseeing the overall business development and operations in Macau.

Mr. Gary Chan graduated from University of Waterloo Canada with a Bachelor of Arts in Economics in May 1980. He obtained a certificate in Quantity Surveying from The Hong Kong Institute of Estimators and Site Agent in March 1987. He also completed a Professional Diploma in Project Management from The Hong Kong Management Association in January 2003.

Mr. Gary Chan is the brother of Mr. Edmond Chan, our executive Director and Chief Executive Officer, and Ms. Amanda Chan, our executive Director.

Mr. CHAN Lap Chuen Edmond (陳立銓先生), aged 66, is our Chief Executive Officer, executive Director and a director of Favourable Year, Rainbow Republic, Simon & Sons and Vanbo Engineering Limited (“**Vanbo Engineering**”). He is also one of our controlling shareholders. Mr. Edmond Chan has over 44 years of experience in the building and construction industry in Hong Kong. He is responsible for the formulation of the overall business development strategy and the execution of daily management and administration of our business and operations. Between November 1980 and October 1986, Mr. Edmond Chan worked as an assistant manager in Simon Construction & Engineering Company, a sole proprietorship in Hong Kong principally engaged in piling works as a registered contractor in Hong Kong and established by Mr. Simon Chan, our founder, and was responsible for management of all projects and directing and supervising the operational management staff of our Group. Since November 1986, Mr. Edmond Chan has been a director of Simon & Sons, our principal operating subsidiary, and has been responsible for its day-to-day business operations. He also assumed the roles of site manager between November 1986 and March 1995, general manager (site work) between April 1995 and March 2011 and executive director since 2011 in Simon & Sons. Furthermore, since February 1993, Mr. Edmond Chan has been a director of Vanbo Engineering, one of our operating subsidiaries, and is responsible for overseeing its business operations in piling projects and provision of loading test services in Hong Kong.

Mr. Edmond Chan graduated from University of Waterloo Canada with a Bachelor of Mathematics in October 1980. He was admitted as a member of the Society of Environmental Engineer in the United Kingdom in January 2011. Since July 2011, he has been a Charter Member and a director of Hong Kong Lions Club of Sham Shui Po and served as the President between 2013 and 2014. Since February 2015, he has also served as a Charter Member and a director of Asia Pacific Creativity Industrial Association Limited, since 2022 Mr. Edmond Chan was nominated as a Honorary President until now. Since January 2018, Mr. Edmond Chan has been appointed as the Junior Police Call Honorary President for the Sham Shui Po District.

Mr. Edmond Chan is the brother of Mr. Gary Chan, our executive Director and Chairman, and Ms. Amanda Chan, our executive Director.

Ms. CHAN Chin Ying Amanda (陳千瑩女士), aged 65, is our executive Director and a director of Favourable Year, Rainbow Republic and Simon & Sons. She is also one of our controlling shareholders. Ms. Amanda Chan has over 43 years of experience in the building and construction industry in Hong Kong. She is responsible for the overall administration, maintaining quality control and monitoring our safety and environmental compliance. Between March 1982 and October 1986, Ms. Amanda Chan worked as an assistant administration manager in Simon Construction & Engineering Company, a sole proprietorship principally engaged in piling works as a registered contractor in Hong Kong and established by Mr. Simon Chan, our founder. She was responsible for the overall management of its financial and operation matters. Since November 1986, Ms. Amanda Chan has been a director of Simon & Sons, our principal operating subsidiary, and has been responsible for the overall administration and matters relating to human resources of the Simon & Sons. She also assumed the roles of administration manager between November 1986 and March 1998, quality manager between April 1998 and January 2008 and the Certified Quality and Environmental Manager since 2008 in Simon & Sons.

Ms. Amanda Chan obtained a Diploma in Business Management from Society of Business Practitioners in the United Kingdom in June 2001. She has been a fellow member of The Hong Kong Institute of Certified Auditors since January 2008. She was admitted as a Certified Quality Manager in January 2008, a Certified Environmental Manager in January 2008 and a Certified Internal Auditor of Quality and Environmental in January 2008.

Ms. Amanda Chan is the sister of Mr. Gary Chan, our executive Director and Chairman, and Mr. Edmond Chan, our executive Director and Chief Executive Officer.

Independent Non-executive Directors

Mr. LI Hon Hung, *BBS, MH, JP* (李漢雄先生, *BBS, MH, JP*), aged 68, is our independent non-executive Director. Mr. Li has over 32 years of experience in the architectural field. Since July 1993, he has been a director of A. Li & Associates Architects Limited, a company principally engaged in design and architecture services. Since October 2011, he has also served as a non-executive Director of Luk Fook Holdings (International) Limited, a company listed on the Stock Exchange (stock code: 590) and principally engaged in the sourcing, designing, wholesaling, trademark licensing and retailing of jewellery.



10 PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Li obtained a Diploma of Architectural Design from Humber College, Canada in June 1981. He further obtained a Bachelor of Architecture from New York Institute of Technology in June 1984. Mr. Li was admitted as a Registered Authorised Person (List of Architects) and a Registered Inspector (List of Architects) in 1989 and 2012, respectively. He was admitted as a member, a corporate member and a fellow of The Hong Kong Institute of Architects in February 1991, August 2007 and September 2009, respectively. He is a registered architect under the register list maintained by Architect Registration Board. In August 2004, he obtained the PRC Class 1 Registered Architect Qualification.

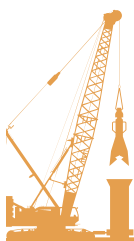
Mr. CHENG Chi Hung (鄭志洪先生), aged 65, is our independent non-executive Director. Mr. Cheng has over 27 years of experience in auditing and accounting. His previous working experience includes the following:

Name of companies	Principal business activities	Position	Period of services
Horwath & Horwath	Accounting	Junior Audit Clerk	February 1986 – October 1987
Tony Nedderman & Co.	Accounting	Taxation Semi-senior	November 1987 – September 1988
Pollard Construction Co., Ltd.	Engineers and civil contractors	Accountant Accounting Manager	September 1990 – June 1992 January 1993 – April 1994
The Official Receiver's Office	Insolvency	Temporary Insolvency Officer II	December 1999 – November 2000
Patrick P.K. Chiang & Co.	Accounting	Audit Supervisor	September 2002 – February 2005
C.H. Cheng & Co.	Accounting	Auditor	July 2005 – present

Mr. Cheng obtained a Master of Business Administration and a Postgraduate Certificate in Information Technology from The Open University of Hong Kong (currently known as Hong Kong Metropolitan University) in December 1999 and December 2001, respectively. He also obtained a HKICPA Diploma in Insolvency from the Hong Kong Institute of Certified Public Accountants in June 2004. Mr. Cheng has been practising as a Certified Public Accountant and a Certified Tax Adviser/Chartered Tax Adviser (Non-practising) in Hong Kong since February 2005 and June 2010, respectively. He was admitted as an associate member of the Hong Kong Society of Accountants (currently known as the Hong Kong Institute of Certified Public Accountants) and the Association of Chartered Certified Accountants in January 1996, a fellow member of the Association of Chartered Certified Accountants in January 2001, and an associate member of the Taxation Institute of Hong Kong in May 2010.

Mr. WONG Yip Kong (黃業光先生), aged 72, is our independent non-executive Director. Mr. Wong obtained a Master of Business Administration from the Lincoln University, US in October 2006. He is currently the managing director of John Kaiser-Time Limited which is principally carrying out the business of manufacture and exportation of watches.

Mr. Wong had been a director of Tung Wah Group of Hospitals and was elected as a member of the Tung Wah Group of Hospitals Advisory Board. Also, he has been the chairman of the Federation of Hong Kong Watch Trades and Industries Limited. Mr. Wong is currently a member of the Watches & Clocks Advisory Committee of Hong Kong Trade Development Council, the co-chairman of Hong Kong Watch & Clock Fair Organising Committee of Hong Kong Trade Development Council and a member of QTS Sub-Committee of Hong Kong Tourism Board. He is also a fellow of various academic organisations, including Canadian Chartered Institute of Business Administration, Asian Knowledge Management Association and The Professional Validation Council of Hong Kong Industries.



SENIOR MANAGEMENT

Mr. CHEUNG Ka Ngai (張家毅先生), aged 60, is the project director of our Group and a director of Simon & Sons. He has over 35 years of experience in construction project design and implementation in Hong Kong. Mr. Cheung joined our Group in December 1999 as an engineering manager of Simon & Sons and was later appointed as a director in February 2000. He is responsible for overseeing project design and implementation of our Group. Prior to joining our Group, from June 1989 to April 1992, Mr. Cheung worked as a design engineer at Intrusion-Prepakt (F.E.) Limited, where he was responsible for preparation of foundation drawings. From April 1992 to April 1993, he served as a project engineer at Chee Shing Foundations Limited, a company principally engaged in piling services. From May 1993 to January 1995, he worked at IP Foundations Limited, as a design engineer responsible for the preparation of foundation drawings. He also worked as a project manager at W. Ho Civil Engineering & Construction Company Limited, a company principally engaged in civil engineering works, from January 1995 to June 1999 and was responsible for project supervision and management.

Mr. Cheung obtained a Bachelor of Engineering (Honours) in Civil Engineering from The Hong Kong Polytechnic University in December 1999. He has been an associate member of The Hong Kong Institution of Engineers since August 1999. He has also been a Building Environmental Assessment Method (BEAM) Affiliate of Hong Kong Green Building Council Limited since July 2014.

Mr. CHEN Tai Ping (陳太平先生), aged 66, is the contracts director of our Group and a director of Simon & Sons. He has over 39 years of experience in project management for different construction projects in Hong Kong. Mr. Chen first worked as the chief estimator at Simon & Sons between November 1986 and October 1995. He was further appointed as a director and contracts manager of Simon & Sons in February 2000 and November 1995, respectively and is responsible for overall contract management and project planning since then.

Mr. Chen obtained a higher certificate in Building Studies from The Hong Kong Polytechnic (currently known as The Hong Kong Polytechnic University) in November 1987.

Mr. WONG King Sum (黃敬森先生), aged 37, is the financial controller and the company secretary of our Group. Mr. Wong has over 14 years of experience in accounting, auditing, compliance and corporate finance with international Certified Public Accountants firms, various sizable corporations and listed companies in Hong Kong. Mr. Wong joined our Group in February 2024 and is responsible for overseeing the financial operations and internal control of our Group.

Mr. Wong holds a Bachelor's degree of Business Administration from The Hong Kong Polytechnic University and a Master of Science degree from Hong Kong Baptist University. Mr. Wong is a member of CPA Australia and an associate member of The Hong Kong Chartered Governance Institute.



12 REPORT OF THE DIRECTORS

DIRECTORS' REPORT

The Board has pleasure in presenting their annual report together with the audited consolidated financial statements of the Group for the year ended 31 March 2025 (the “**Reporting Period**”).

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries (together referred to as the “**Group**”) are principally engaged in the provision of foundation works including piling construction, ELS works, pile cap construction, site formation and ancillary services in Hong Kong and Macau.

GROUP REORGANISATION

Pursuant to a group reorganisation (the “**Reorganisation**”) carried out by the Group in preparation for the listing of shares of the Company on the Main Board of the Stock Exchange, and for the purpose of rationalising the Group's structure, the Company became the holding company of the subsidiaries now comprising the Group on 7 October 2016. Details of the Reorganisation are set out in the section headed “History and Development” to the Prospectus issued by the Company dated 31 October 2016.

BUSINESS REVIEW

A review of the business of the Group during the Reporting Period, a discussion on the Group's future business development and description of possible risks and uncertainties that the Group may be facing are provided in the Chairman's Statement, Management Discussion and Analysis and Report of the Directors sections of this annual report. Also, the financial risk management objectives and policies of the Group can be found in Note 29 to the consolidated financial statements. An analysis of the Group's performance during the Reporting Period using financial key performance indicators is set out in the section headed “Management Discussion and Analysis” on pages 4 to 7 of this annual report. In addition, discussion on the Group's environmental policies and performance, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are set out below.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHERS

The Group understands that it is important to maintain good relationships with its employees, customers and suppliers. During the Reporting Period, there was no material and significant dispute between the Group and its employees, customers and suppliers.

RESULTS AND APPROPRIATIONS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 63 of this report. No dividend has been paid or proposed by the Company during the Reporting Period, nor has any dividend been proposed by the Directors since the end of the Reporting Period.

CLOSING OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 22 August 2025 to Wednesday, 27 August 2025, both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the AGM which is scheduled to be held on Wednesday, 27 August 2025. In order to qualify for attendance of annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 21 August 2025.

FINAL DIVIDEND

The Directors do not recommend the payment of final dividend for the Reporting Period (2024: Nil).

KEY RISKS AND UNCERTAINTIES

The Group's financial condition, results of operation, business and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group:

The amount of revenue derived from a project may be higher or lower than the original contract sum due to factors such as variation orders

The aggregate amount of revenue derived from a project may be different from the original contract sum specified in the relevant contract for the project due to factors such as variation orders (including additions, reductions and/or other changes in the scope of the works) placed by customers from time to time during the course of project execution. As such, there is no assurance that revenue from projects on hand will not be substantially lower than the original contract sum as specified in the relevant contracts and hence, the Group's profitability will be adversely affected.

Keen competition

Due to certain delays in the progress of approving infrastructure projects by the Legislative Council of Hong Kong and the Finance Committee of the Legislative Council of Hong Kong in the past few years, there has been reducing projects available in the construction works market which has driven more intense competition within the construction industry. Furthermore, there have been shortage of construction labour and rise of construction costs in recent years. The combined impact of the above factors leads to the dilution in the profit margin of our construction works projects.

Errors or inaccurate estimations of project duration and costs when determining the tender price may result in substantial loss incurred

Construction contracts and in particular public projects are normally awarded through a competitive tendering process. The Group determines a tender price by estimating the construction costs under the contract duration as specified in the tender invitation documents. There is no assurance that tenders submitted by the Group contain no mistakes and errors. Such mistakes and errors may be in the form of inaccurate estimations, oversight of important tender terms, inadvertent typographical errors, errors in calculations, etc. In case of contracts awarded to the Group with mistakes or errors in the submitted tender, the Group may be bounded by the contract to undertake the project at a substantial loss.



14 REPORT OF THE DIRECTORS

Inaccurate estimations on project schedule, project costs and technical difficulties in the tendering process may result in cost overruns when executing the awarded project. Many factors affect the time taken and the costs involved in completing construction projects undertaken by the Group. Examples of such factors include shortage and cost escalation of labour and materials, difficult geological conditions, adverse weather conditions, variations to the construction plans instructed by customers, stringent technical construction requirements, threatened claims and material disputes with main contractors, subcontractors and suppliers, accidents, and changes in the Government's policies. Other unforeseen problems or circumstances may also occur during project implementation. If any of such factors arises and remains unresolved, completion of construction works may be delayed or the Group may be subject to cost overruns or our customers may even be entitled to unilaterally terminate the contract.

PLANT AND EQUIPMENT

Details of movements in the plant and equipment of the Company and the Group during the Reporting Period are set out in Note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in Note 25(a) to the consolidated financial statements.

CHARITABLE DONATIONS

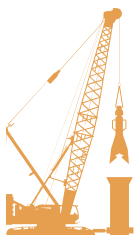
Charitable and other donations made by the Group during the Reporting Period amounted to HK\$10,000 (2024: HK\$12,000).

RESERVES

Details of movements in the reserves of the Group and the Company during the Reporting Period are set out in the consolidated statement of changes in equity and Note 25(b) to the consolidated financial statement, respectively.

DISTRIBUTABLE RESERVES

The Companies Act provides that share premium account of a company incorporated in the Cayman Islands may be applied in such manner as it may from time to time determine, subject to the provisions, if any, of its memorandum and articles of association, provided that no distribution or dividend may be paid to its members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, The Company shall be able to pay its debts as they fall due in the ordinary course of business. The Company's reserves available for distribution comprise the share premium, contributed surplus and accumulated losses. In the opinion of the Board, the Company's reserves available for distribution to the shareholders of the Company as at 31 March 2025 were approximately HK\$63,205,000 (as at 31 March 2024: HK\$118,972,000).



DIRECTORS

The Directors during the Reporting Period and up to the date of this report were:

Executive Directors

Mr. Chan Lap Wai Gary (*Chairman*)

Mr. Chan Lap Chuen Edmond

Ms. Chan Chin Ying Amanda

Independent Non-executive Directors

Mr. Li Hon Hung, *BBS, MH, JP*

Mr. Cheng Chi Hung

Mr. Wong Yip Kong

In accordance with the article of association of the Company, Mr. Chan Lap Wai Gary and Mr. Chan Lap Chuen Edmond will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

The Directors' biographical details are set out in the section headed "Profiles of Directors and Senior Management" in this report.

Information regarding Directors' emoluments is set out in Note 10 to the consolidated financial statements of this report.

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

DIRECTORS' SERVICE CONTRACTS

None of the Directors, including those to be re-elected at the forthcoming annual general meeting, has a service contract which is not determinable by the Group within one year without the payment of compensation (other than statutory compensation).

PERMITTED INDEMNITY OF DIRECTORS

The Articles of Association of the Company provides that the directors shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses incurred or sustained by or by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.



16 REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS IN CONTRACTS

Apart from the contracts relating to the reorganisation of our Group in relation to the Listing and save as disclosed in this report, no transactions, arrangements and contracts of significance in relation to our Group's business to which the Company or any of its subsidiaries was a party and in which the Director or an entity connected with the Director had a material interest, whether directly or indirectly, subsisted at any time during the Reporting Period.

CONTROLLING SHAREHOLDERS' INTEREST

Apart from the contracts relating to the reorganisation of our Group in relation to the Listing and save as disclosed in this report, no contracts of significance were entered into between the Company or any of its subsidiaries and any controlling shareholders or any of its subsidiaries or any contracts of significance for the provision of services to the Company or any of its subsidiaries by any controlling shareholders or any of its subsidiaries.

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of our Group are set out in Note 10 to the consolidated financial statements in this report.

EMOLUMENT POLICY

The Remuneration Committee will review and determine the remuneration and compensation packages of the Directors with reference to their responsibilities, workload, time devoted to our Group and the performance of our Group. The Directors may also receive options to be granted under the share option scheme.

COMPETING INTERESTS

The Directors confirm that none of the controlling shareholders or the Directors and their respective close associates (as defined in the Listing Rules) is interested in any business apart from the business operated by our Group which competes or is likely to compete, directly or indirectly, with our Group's business during the Reporting Period and up to the date of this report.

DEED OF NON-COMPETITION

The deed of non-competition dated 24 October 2016 has been entered into by the controlling shareholders in favour of the Company. Pursuant to which the controlling shareholders have undertaken, jointly and severally, to the Company that they would not, and that their close associates and/or companies controlled by the controlling shareholders would not, directly or indirectly, either on their own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, partner, agent or otherwise) any business which is or may be in competition with the existing core business of our Group.

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

As at 31 March 2025, the interests and short positions of the Directors and chief executive of the Company in the shares (the “**Shares**”), underlying shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “**SFO**”)) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were otherwise required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Interests in the Shares

Name of Director	Capacity/Nature	Number of Shares held/interest	Percentage of interest
Chan Lap Wai Gary (<i>Notes 2 and 3</i>)	Interest of controlled corporation	495,000,000 (L) (<i>Note 1</i>)	72.29%
Chan Chin Ying Amanda	Beneficial owner	7,140,000 (L) (<i>Note 1</i>)	1.04%

Notes:

1. The letter “L” demonstrates long position in such securities.
2. Mr. Chan Lap Wai Gary beneficially owns 45% of the issued shares of Creative Elite Global Limited which in turn held 495,000,000 Shares. Therefore, Mr. Gary Chan is deemed to be interested in 495,000,000 Shares held by Creative Elite Global Limited for the purpose of the SFO.
3. On 1 December 2016, the over-allotment option was exercised by the bookrunner, C.P. Securities International Limited, whereby an aggregate of 24,750,000 Shares were issued on 2 December 2016. Thus, the percentage of shareholding of Creative Elite Global Limited in the Company was changed from 75% (before the exercise of the over-allotment option) to 72.29%.



18 REPORT OF THE DIRECTORS

Interests in associated corporations

Name of Director	Name of associated corporation	Number of Shares held/interest	Percentage of interest
Chan Lap Wai Gary	Creative Elite Global Limited	45	45%
Chan Lap Chuen Edmond	Creative Elite Global Limited	28	28%
Chan Chin Ying Amanda	Creative Elite Global Limited	18	18%

Save as disclosed above and so far as is known to the Directors, as at 31 March 2025, none of the Directors and chief executive of the Company 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) (i) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were otherwise required to be notified to the Company and Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2025, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interest or short position in the Shares or underlying Shares which fell to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature	Number of Shares held/interest	Percentage of interest
Creative Elite Global Limited (Note 2)	Beneficial owner	495,000,000 (L) (Note 1)	72.29%
Vane Siu Ling Linda ("Linda Vane") (Note 3)	Interest of spouse	495,000,000 (L) (Note 1)	72.29%

Notes:

1. The letter "L" demonstrates long position in such securities.
2. On 1 December 2016, the over-allotment option was exercised by the bookrunner, C.P. Securities International Limited, whereby an aggregate of 24,750,000 shares were issued on 2 December 2016. Thus, the percentage of shareholding of Creative Elite Global Limited in the Company was changed from 75% (before the exercise of the over-allotment option) to 72.29%.
3. Ms. Linda Vane is the spouse of Mr. Chan Lap Wai Gary who beneficially owns 45% of the issued shares of Creative Elite Global Limited. Therefore, Ms. Linda Vane is deemed to be interested in 495,000,000 Shares held by Creative Elite Global Limited for the purpose of the SFO.

Save as disclosed above, as at 31 March 2025, the Directors were not aware of any interests or short positions owned by any entities or persons (not being a Director or chief executive of the Company) in the Shares or underlying shares of the Company, which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the Reporting Period were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance, to which the Company or any of its subsidiaries, its parent company, or its parent company's subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, whether directly and indirectly, subsisted at the end of 31 March 2025 or at any time during the Reporting Period.

MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Period, the aggregate purchases attributable to the Group's largest supplier and the five largest suppliers in aggregate accounted for 33.1% and 90.7% respectively of the Group's total purchases for the Reporting Period. Revenue attributable to the Group's largest customer and the five largest customers in aggregate accounted for 30.0% and 75.1% respectively of the Group's total revenue for the Reporting Period.

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



20 REPORT OF THE DIRECTORS

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Reporting Period, the Group did not have any significant investment, material acquisitions or disposals of subsidiaries or associated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus and in this report, the Group did not have other plans for material investments or capital assets as at 31 March 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

No purchase, sale or redemption of the Company's listed securities was made (including sale of treasury shares (as defined in the Listing Rules)) during the Reporting Period.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme as set out below, no equity-linked agreements were entered into by our Group, or existed during the Reporting Period.

SHARE OPTION SCHEME

The shareholders of the Company have adopted a share option scheme (the "**Scheme**") on 24 October 2016.

A summary of the Scheme is set out as below:

- (i) The Scheme will remain in force for a period of ten years commencing on the date of adoption and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the Shareholders in general meeting.
- (ii) The Scheme enables the Company to grant options to subscribe for the Shares to any director, employee or officer, partner or adviser of the Company or any of its subsidiaries, as incentives or awards for their contributions to the Group. The purpose of the Scheme is to attract and retain the best available personnel, to provide additional incentive and to promote the success of the business of our Group.
- (iii) The basis of eligibility of any person to the grant of any option shall be determined by the Board from time to time on the basis of his or her contribution or potential contribution to the development and growth of the Group.
- (iv) Under the Scheme, a subscription price shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of our shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of our shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share on the date of grant of the option.

- (v) An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK\$1.0.
- (vi) The maximum number of shares issuable upon exercise of all options to be granted under the Scheme and any other share option schemes of our Company (excluding, for this purpose, shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Scheme or any other share option schemes of our Company) must not in aggregate exceed 10% of all our shares in issue as at the listing date (i.e. 66,000,000 shares) and representing approximately 9.64% of the issued share capital of the Company (excluding treasury shares) as at the date of this report.
- (vii) There were no options outstanding under the Scheme nor was any options granted, agreed to be granted, exercised, cancelled or lapsed under the Scheme during the Reporting Period. The number of options available for grant under the Scheme was 66,000,000 as at 1 April 2024 and 31 March 2025, respectively.
- (viii) The total number of Shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Scheme or any other share option schemes of our Company in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his associates abstaining from voting. In such event, our Company must send a circular to our Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), and all other information required under the Listing Rules. The number and terms (including the subscription price) of the options to be granted must be fixed before the approval of our Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.
- (ix) An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.
- (x) There is no minimum period for which an option granted must be held before it can be exercised except otherwise imposed by the Board.

No options have been granted, exercised, cancelled or lapsed since the adoption of the Scheme.



22 REPORT OF THE DIRECTORS

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company is set out in the section headed “Corporate Governance Report” from pages 24 to 38 of this report.

RELIEF OF TAXATION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holdings of the Company’s securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company and the laws of Cayman Islands, being the jurisdiction in which the Company is incorporated under which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed minimum public float under the Listing Rules during the Reporting Period.

MANAGEMENT CONTRACTS

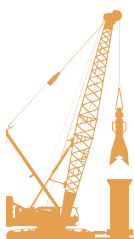
No contracts concerning the management and administration of the whole or any substantial part of the business of our Group were entered into or in existence during the Reporting Period.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, there were no connected transactions or continuing connected transactions of the Company which are required to comply with any of the reporting, announcement or independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. Details of significant related party transactions undertaken in the usual course of business are set out in Note 31 to the consolidated financial statement. None of these related party transactions constitute a discloseable connected transaction as defined under the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

No significant event after the year ended 31 March 2025 is noted.



AUDITOR

With effect from 17 March 2025, Elite Partners CPA Limited (“**Elite Partners**”) resigned as the auditor of the Company, and McMillan Woods (Hong Kong) CPA Limited (“**McMillan Woods**”) was appointed as the auditor of the Company with immediate effect from 17 March 2025 to fill the casual vacancy occasioned by the resignation of Elite Partners. Saved as disclosed above, there has been no change in auditors of the Company in any of the preceding three years. The consolidated financial statements of the Group for the year ended 31 March 2025 were audited by McMillan Woods, who shall retire at the forthcoming AGM and, being eligible, offer itself for re-appointment. A resolution for the re-appointment of McMillan Woods as auditor of the Company will be proposed at the forthcoming AGM.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long term sustainability of the environment and communities in which it engages. The Group strives to minimise its impact on the environment by reducing its use of electricity and water and encouraging recycle of office supplies and other materials. The Group has complied with all relevant laws and regulations regarding environmental protection, health and safety, workplace conditions and employment.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, our Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of our Group during the Reporting Period.

On behalf of the Board

Sheung Yue Group Holdings Limited

Chan Lap Wai Gary

Chairman

30 June 2025



24 CORPORATE GOVERNANCE REPORT

The Company is committed to fulfilling its responsibilities to its shareholders (the “**Shareholders**”) and protecting and enhancing Shareholders’ value by devoting considerable effort to identifying and formalising good corporate governance practices.

The directors of the Company (the “**Directors**”) recognise the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Company and its subsidiaries (collectively referred as to the “**Group**”) so as to achieve effective accountability.

The board of Directors (the “**Board**”) is pleased to present this Corporate Governance Report of the Group for the year ended 31 March 2025 (the “**Year**” or the “**Reporting Period**”).

CORPORATE CULTURE AND STRATEGY

Corporate strategy defines the goals, while corporate culture is the driving force that enables the achievement of those goals. A strong, values-driven culture empowers teams to act with purpose, adapt with agility, and collaborate effectively. The Group’s core belief is with the aim to deliver excellent provision of foundation works and ancillary services. With over 54 years of proven experience in foundation works and ancillary services across Hong Kong and Macau, the Group is a well-established contractor trusted in both public and private sectors. To realise this mission, the Board, actively instils and promotes the following core cultural values in its workforce:

- **Quality:** leveraging decades of specialised experience to deliver technically sound, efficient, and safe foundation solutions across projects of varying scale and complexity, pursuing high quality in the provision of foundation works and participation in infrastructure projects, and encouraging staff at all levels to not just meet expectations, but consistently exceed them; and
- **Reliability:** ensuring consistency and maintaining quality controls in services provided by the Group, and promoting honest, timely, and responsive interaction with stakeholders to minimise uncertainty and maximise project coherence.

These core cultural values guide the Group’s strategy, ensuring continuous growth and service excellence. The Board believes that these core cultural values are aligned with the Group’s belief, mission and long-term business objectives, fostering a commitment to lifelong learning, cost-effective solutions, and unwavering dedication to quality, and are the cornerstones of the Group’s success.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to uphold high standards of corporate governance. The Board considers that enhanced public accountability and corporate governance are beneficial to the healthy growth of the Group, improving customer and supplier confidence and safeguarding the interests of the shareholders of the Company.

The Company had complied with all applicable code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”). In response to a specific enquiry by the Company, all Directors confirmed that they have complied with the requirements of the Model Code during the Reporting Period.

BOARD OF DIRECTORS

Composition of the Board

Up to the date of this annual report, the Board consists of six Directors, which comprises three executive Directors and three independent non-executive Directors. The composition of the Board during the Reporting Period and up to the date of this annual report was as follows:

Executive Directors

Mr. Chan Lap Wai Gary (*Chairman*)

Mr. Chan Lap Chuen Edmond (*Chief Executive Officer*)

Ms. Chan Chin Ying Amanda

Independent Non-executive Directors

Mr. Li Hon Hung, *BBS, MH, JP*

Mr. Cheng Chi Hung

Mr. Wong Yip Kong

The biographies of the Directors are set out in “Profiles of Directors and Senior Management” on pages 8 to 11 of this annual report.

The Directors have given sufficient time and attention to the Group’s affairs. The Directors have disclosed to the Company annually the number and the nature of offices held in public companies or organisations and other significant commitments. The Board believes that the balance between executive Directors and independent non-executive Directors is reasonable and adequate to provide sufficient balances that protect the interests of the shareholders of the Company and the Group.



26 CORPORATE GOVERNANCE REPORT

Functions of the Board and Management

The Board is responsible for the overall management of the Group, which includes controlling resources allocation of the Company and leading the Company to strive for success. It oversees the Group's businesses, strategic decisions, internal control, risk management and performances. The management team is delegated with the authority and responsibility by the Board for the daily management of the Group. The delegated functions and work tasks are periodically reviewed. Major corporate matters that are specifically delegated by the Board to the management include (1) the preparation of interim and annual reports and announcements for the Board's approval before publishing; (2) implementation of adequate systems of internal controls and risk management procedures; and (3) compliance with relevant statutory and regulatory requirements and rules and regulations. It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company's circumstances and to ensure processes and procedures are in place to achieve the Company's corporate governance objectives.

The Board has maintained the necessary balance of skills and experience appropriate for the business requirements and objectives of the Group and for the exercise of independent judgment. Directors with various professional qualifications experience and related financial management expertise have contributed to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the Shareholders. Hence, the Board believes that the current Board composition satisfies the corporate governance requirements of the Group with regard to the balance of expertise, skills and experience as well as the ongoing development and management of its business activities.

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Company, and to review and approve the Company's interim and annual results. During the Reporting Period, four Board meetings were held and the attendance of each Director at the Board meetings is set out in the section headed "Meetings of the Board and Directors' attendance record" of this report.

Regular Board meetings for each year are scheduled in advance to facilitate maximum attendance of Directors. All Directors are given an opportunity to include matters for discussion in the agenda. The company secretary assists the Chairman in preparing the agenda for meetings to comply with all applicable rules and regulations. The agenda and the accompanying Board papers are normally sent to Directors at least three days before the intended date of a Board meeting. Draft minutes of each Board meeting are circulated to Directors for their comment before being tabled at the next Board meeting for approval. All minutes are kept by the company secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

Pursuant to the articles of association of the Company, all Directors appointed to fill a casual vacancy shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at the meeting. At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

Save for the family relationships disclosed in the “Profiles of Directors and Senior Management” set out on pages 8 to 11 of this annual report, the Directors do not have any material financial, business or other relationships with one another.

DIRECTORS’ AND OFFICERS’ LIABILITIES

The Company has arranged appropriate insurance coverage on Directors’ and officers’ liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

By virtue of article 83 of the articles of association of the Company, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In compliance with the code provision in B.2.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to article 84(1) of the articles of association of the Company, at each annual general meeting one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every 3 years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

Each of the executive Directors has entered into a service agreement with the Company for a term of three years. Each of the INEDs has entered into a letter of appointment with the Company for a term of three years.

By virtue of article 84 of the articles of association of the Company, Mr. Chan Lap Wai Gary and Mr. Chan Lap Chuen Edmond will retire at the forthcoming annual general meeting and being eligible, will offer themselves for re-election.



28 CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The chairman of the Board (the “**Chairman**”) is Mr. Chan Lap Wai Gary and the chief executive officer of the Company (the “**CEO**”) is Mr. Chan Lap Chuen Edmond. The roles of the Chairman and the CEO of the Group are clearly defined and segregated to ensure independence and proper checks and balances. The Chairman focuses on formulating business strategies and direction of the Company and has executive responsibilities, provides leadership for the Board and ensures proper and effective functioning of the Board in discharging of its responsibilities. The CEO is accountable to the Board for the overall implementation of the Company’s strategies and the co-ordination of overall business operations.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board consists of three executive Directors and three independent non-executive Directors, including one independent non-executive Director who has professional qualification, experience and expertise in accounting, finance or legal field. The names and biographical details of each Director are set out in “Profiles of Directors and Senior Management” on pages 8 to 11 of this annual report. The Company has received confirmation of independence from all three independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules.

The Board has reviewed the independence of all independent non-executive Directors and concluded that all of them are independent within the definition of the Listing Rules. Furthermore, the Board is not aware of the occurrence of any events which would cause it to believe that the independence of any of the independent non-executive Directors has been impaired up to the date of this report.

DIRECTORS’ INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Upon appointment of a new Director, each new Director receives an induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

The Directors, on an ongoing basis, will receive updates on the relevant laws, rules and regulations. In addition, the Company encourages the Directors to enrol in a wide range of professional development courses and seminars relating to the Listing Rules, Hong Kong Companies Ordinance and corporate governance practices so that they can continuously acquire their relevant knowledge and skills. In compliance with code provision in C.1.4 of the CG Code, in June 2025, the Company organised training on duties and responsibilities of directors and seminar on updated laws and regulations for Directors. Each of the Directors, namely Mr. Chan Lap Wai Gary, Mr. Chan Lap Chuen Edmond, Ms. Chan Chin Ying Amanda, Mr. Li Hon Hung, *BBS, MH, JP*, Mr. Cheng Chi Hung and Mr. Wong Yip Kong, have participated in continuous professional development in compliance with code provision in C.1.4 of the CG Code. The Company has also provided reading materials to all Directors to develop and refresh their professional knowledge.

AUDIT COMMITTEE

An audit committee of the Company (the “**Audit Committee**”) has been established by the Board with specific written terms of reference. Pursuant to the Audit Committee’s terms of reference, the Audit Committee is authorised to commit Company funds in order to obtain advice from outside legal counsel, accountants, investigatory services or other expert advice. Details of the authority and responsibilities of the Audit Committee are available on the websites of the Company and the Stock Exchange.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Cheng Chi Hung, Mr. Li Hon Hung, *BBS, MH, JP* and Mr. Wong Yip Kong. Mr. Cheng Chi Hung is the chairman of the Audit Committee.

During the Reporting Period, three Audit Committee Meetings were held. The attendance of each member of the Audit Committee is set out in the section headed “Meetings of the Board and Directors’ attendance record” of this report.

During the meetings, the Audit Committee has reviewed and discussed the application of financial reporting principles and the effectiveness of the Company’s risk management and internal control systems. Furthermore, the Audit Committee has reviewed the Group’s audited consolidated financial statements for the Year and the unaudited interim consolidated financial statements for the six months ended 30 September 2024, and discussed with the external auditors on the Group’s audited consolidated financial statements for the Year. They were of the opinion that these statements had complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made.

REMUNERATION COMMITTEE

A remuneration committee of the Company (the “**Remuneration Committee**”) has been established by the Board with specific written terms of reference and the majority of the members of the Remuneration Committee are Independent non-executive Directors. The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the remuneration packages of the Directors and senior management. Details of the authority and responsibilities of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee currently comprises three independent non-executive Directors, namely Mr. Wong Yip Kong, Mr. Li Hon Hung, *BBS, MH, JP* and Mr. Cheng Chi Hung. Mr. Wong Yip Kong is the chairman of the Remuneration Committee.

During the Reporting Period, two Remuneration Committee meetings were held to review and discuss the remuneration policy of the Company, renew the appointment letters of independent non-executive Directors. The attendance of each member of the Remuneration Committee is set out in the section headed “Meetings of the Board and Directors’ attendance record” of this report.

Details of the amount of Directors’ emoluments for the year ended 31 March 2025 are set out in Note 10 to the financial statements.



Remuneration Policy for Directors and Senior Management

Each of the Directors will receive a fee which is subject to an annual adjustment at a rate to be reviewed by the Remuneration Committee and be determined at the discretion of the Board. The Company's policy concerning the remuneration of the Directors is that the amount of remuneration is determined by reference to the relevant Director's experience, responsibilities, workload and the time devoted to the Group. The Group has adopted incentive bonus schemes and continues to maintain these schemes, seeking to align the financial well-being of the Group with that of the employees, and to retain the Directors and staff of high caliber.

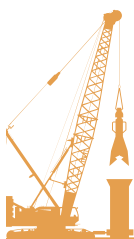
NOMINATION COMMITTEE

A nomination committee of the Company (the "**Nomination Committee**") has been established by the Board with specific terms of reference. The Nomination Committee is responsible for, amongst other things, identifying individuals suitably qualified to become Board members, considering the re-appointment of the Directors and succession planning for Directors and making recommendations to the Board in respect of the aforesaid matters. Details of the authority and responsibilities of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following key procedures and process:

- i. The Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;
- ii. The Nomination Committee may adopt any process it considers appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third party reference checks;
- iii. Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment; and
- iv. The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment.

The Nomination Committee currently comprises three independent non-executive Directors, namely Mr. Li Hon Hung, *BBS, MH, JP*, Mr. Cheng Chi Hung and Mr. Wong Yip Kong. Mr. Li Hon Hung, *BBS, MH, JP* is the chairman of the Nomination Committee.



During the Reporting Period, two Nomination Committee meetings were held to review the structure, size, composition and diversity of the Board, assessing the independence of independent non-executive Directors and other related matters of the Company. The attendance of each member of the Nomination Committee is set out in the section headed “Meetings of the Board and Directors’ attendance record” of this report.

MEETINGS OF THE BOARD AND DIRECTORS’ ATTENDANCE RECORD

The individual attendance records of each Director at the meetings of the Board, Audit Committee, Nomination Committee and Remuneration Committee as well as the annual general meeting on 1 August 2024 (the “AGM”) during the Reporting Period are set out below:

Name of Director	Attendance/Number of Meetings Held				AGM
	Board Meeting	Audit Committee	Remuneration Committee	Nomination Committee	
Executive Directors					
Mr. Chan Lap Wai Gary	4/4	–	–	–	1/1
Mr. Chan Lap Chuen Edmond	4/4	–	–	–	1/1
Ms. Chan Chin Ying Amanda	4/4	–	–	–	1/1
Independent Non-executive Directors					
Mr. Li Hon Hung, <i>BBS, MH, JP</i>	4/4	3/3	2/2	2/2	1/1
Mr. Cheng Chi Hung	4/4	3/3	2/2	2/2	1/1
Mr. Wong Yip Kong	4/4	3/3	2/2	2/2	1/1

CORPORATE GOVERNANCE FUNCTION

The Company’s corporate governance function is carried out by the Board pursuant to a set of written terms of reference adopted by the Board, which include (a) develop and review the Company’s policies and practices on corporate governance and make recommendations to the Board; (b) review and monitor the training and continuous professional development of directors and senior management of the Company and its subsidiaries; (c) review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements; (d) develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Company and its subsidiaries; (e) review the Company’s compliance with the CG Code and disclosures in the corporate governance report of the Company required to be prepared pursuant to the Listing Rules; and (f) consider, review and decide any other topics, as authorised by the Board.

On 30 June 2025, the Board reviewed and discussed the corporate governance policy of the Group and was satisfied with the effectiveness of its corporate governance policy.



32 CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

The Board is responsible for overseeing the preparation of financial statements for the year ended 31 March 2025 which gives a true and fair view of the state of affairs of the Group as at 31 March 2025, and of the results and cash flows for year then ended.

In preparing the financial statements for the year ended 31 March 2025, the Board has selected appropriate accounting policies, applied them consistently in accordance with the Hong Kong Financial Reporting Standards which are pertinent to its operations and relevant to the financial statements, made judgments and estimates that are prudent and reasonable, and ensured the preparation of the financial statements on the going concern basis.

The Group endeavours to present a balanced, clear and comprehensive assessment of the Group's performance, position and prospects. The interim and annual results of the Company are announced in a timely manner within the limit of two months and three months, respectively, after the end of the relevant periods in accordance with the Listing Rules.

The Directors have acknowledged their responsibilities for preparing all information and representation contained in the financial statements of the Company for the year ended 31 March 2025.

AUDITOR

The external auditor of the Company is McMillan Woods (Hong Kong) CPA Limited ("**McMillan Woods**"). The Audit Committee is responsible for making recommendations to the Board on the external auditor's appointment, re-appointment and removal, which are subject to approval by the Board and at the general meetings of the Company by its shareholders. In assessing the external auditor, the Audit Committee will take into account relevant experience, performance, objectivity and independence of the external auditor.

The statement of the Company's auditor about their reporting responsibility on the consolidated financial statement of the Group is set out in the independent auditor's report on pages 57 to 62.

AUDITOR'S REMUNERATION

The remuneration paid/payable to McMillan Woods for the year ended 31 March 2025 is set out as follows:

Services rendered	Fee paid/ payable HK\$'000
Audit services	350
Total	350

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it has overall responsibility for the design and implementation of internal controls which covers financial reporting, operations, compliance and risk management of the Company, as well as continuous monitoring the effectiveness of such internal controls. The Board has delegated such responsibility to the management of the Company. The management, under the supervision of the Board, has established an on-going process for identifying, evaluating and managing significant risks faced by the Group. The Board will review and assess the risk management and internal control systems at least once a year. The Company has complied with the risk management and internal control code provisions during the Reporting Period. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

There is currently no internal audit function within the Group. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. Nevertheless, the Directors will continue to review at least annually the need for an internal audit function.

The Company has established a risk management policy setting out the process of identification, evaluation and management of the principal risks affecting the business. Senior management and department heads are required to identify, evaluate and manage risks associated with business operations on an on-going basis with defined parameters, and record these in the risk registers. For each risk identified, management assesses their root causes, consequences and mitigating controls. Such assessment takes into account of the (i) probability of risk occurrence and (ii) degree of potential loss. The result of the assessment is summarised on a risk register and is reviewed by the Board. It is mandatory for this process to be conducted at least once a year. The Company has also established a whistle-blowing policy and system for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control and other matters. There is also anti-corruption regulations in place as the Group commits to maintaining a high standard of integrity when conducting business.

The Audit Committee reviews the internal control and risk management that are significant to the Group on an on-going basis. The review covers, among others, the nature and extent of significant risks (including ESG risks) and the scope and quality of management's ongoing monitoring of risks (including ESG risks). From the review, there were no significant risk and control deficiencies identified and no material control failures or adverse compliance events that have directly resulted in any material loss to the Group. The Audit Committee also considers the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, as well as their training programmes and budgets.

The Board is satisfied that the internal control and risk management systems in place covering all material controls including financial, operational and compliance controls and risk management functions for the year under review and up to the date of issuance of the annual report is reasonably effective and adequate.



34 CORPORATE GOVERNANCE REPORT

DISSEMINATION OF INSIDE INFORMATION

The Company is committed to a consistent practice of timely, accurate and sufficiently detailed disclosure of material information about the Group. The Company has adopted a policy on disclosure of inside information which sets out the obligations, guidelines and procedures for handling and dissemination of inside information. With those guidelines and procedures, the Group has management controls in place to ensure that potential inside information can be promptly identified, assessed and escalated for the attention of the Board to decide about the need for disclosure.

COMPANY SECRETARY

Mr. Wong King Sum was appointed as the company secretary of the Company with effect from 22 February 2024. All Directors have access to the advice and services of the company secretary. During the year ended 31 March 2025, Mr. Wong King Sum has taken no less than 15 hours of relevant professional trainings respectively to update his skills and knowledge.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company aims to provide its shareholders and investors with high standards of disclosure and financial transparency. The Board is committed to provide clear and detailed information of the Group to its shareholders in a timely manner and on a regular basis, through the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements.

During the Reporting Period, the Company has adopted a Shareholders' communication policy, which has helped the Company to ensure that the Shareholders will have equal and timely access to the information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company. The general meetings of the Company provide a forum for communication between the Board and the Company's shareholders. The Chairman of the Board and other members of the respective committees are available to answer questions of the Shareholders at the general meeting. The Company recognises the importance of maintaining on-going communications with the Shareholders and encourages them to attend general meetings to stay informed of the Group's businesses and convey any concerns they may have to the Directors and senior management. The Company maintain a website at www.simonandsons.com.hk where extensive information and updates on the Company's financial information, corporate governance practices and other useful information are posted and available for access by the public investors.

Given the above, the Company is of the view that the Shareholders' communication policy was effective during the Reporting Period.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to convene an extraordinary general meeting and to put forward proposal at general meetings

Pursuant to Article 58 of the articles of association of the Company, 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 members holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company 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 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Article 85 of the articles of association of the Company provides that 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 under this Article will commence no earlier than the day after the despatch 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. The written notice must state that person's biographical details as required by Rule 13.51B(1) of the Listing Rules. The procedures for shareholders of the Company to propose a person for election as Director is posted on the Company's website.

Shareholders' enquires and proposals

Shareholders should direct their enquiries about their shareholdings to the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, or call its customer service hotline at (852) 2980 1888.

Shareholders may also make enquiries to the Board at the annual general meetings of the Company.

INVESTOR RELATIONS

The public are welcomed to give their comments and make enquiries through the Company's website and by means of emails to the investor relations department (email address: mail@simonandsons.com.hk). The management always provides prompt responses to any such enquiries.



36 CORPORATE GOVERNANCE REPORT

CONSTITUTIONAL DOCUMENTS

The Company's second amended and restated memorandum and articles of association are available on the websites of the Company and the Stock Exchange. There was no change to the Company's memorandum and articles of association during the Reporting Period.

DIVIDEND POLICY

The declaration of payment of dividends, subject to the criteria set out in the dividend policy adopted by the Company (the "**Dividend Policy**"), shall remain to be determined at the sole discretion of the Board and are subject to all applicable laws and regulations and the Articles of Association of the Company. The Board shall take into account the following factors, among other factors, when considering the declaration and payment of dividends:

- (a) the Group's overall results of operation, financial position, liquidity position, capital requirements, cash flow and future prospects;
- (b) the amount of distributable reserves of the Company;
- (c) the expected capital requirements and future expansion plans of the Group;
- (d) the general business and regulatory conditions, the business cycle of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
- (e) the statutory and regulatory restrictions;
- (f) the contractual restrictions on the payment of dividends by the Company to the Shareholders or by the subsidiaries of the Company to the Company;
- (g) the Shareholders' interests; and
- (h) other factors that the Board deems relevant.

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

BOARD DIVERSITY POLICY

The Board adopted a policy of the Board diversity. The Nomination Committee will review these objectives regularly. The Company recognises and embraces the benefits of a diversity of Board members. The Group endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board nominations, appointments and re-appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members and the nomination policy of the Company. 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 and knowledge.

As at 31 March 2025, female representation on the Board is 17%. The Board targets to maintain at least the current level of female representation on the Board.

As at 31 March 2025, the gender ratio in the workforce (including senior management) of the Group was 79% male and 21% female. The Group will continue to take gender diversity into consideration during recruitment and increase the female proportion at all levels over time with the ultimate goal of achieving gender diversity, this goal, along with other matters related to diversity, will be reviewed on an annual basis by the Board, such that there is a pipeline of female senior management and potential successors to the Board in the future.

BOARD INDEPENDENCE

The Company has mechanisms in place to ensure independent views are available to the Board. The Board endeavours for having a balanced composition of executive Directors and independent non-executive Directors to maintain a strong independent element on the Board and to bring independent view and inputs from the Directors. All of the members and chairmen of the Audit Committee, Remuneration Committee and Nomination Committee are independent non-executive Directors.

The Nomination Committee shall assess the independence of the candidates who are to be appointed as independent non-executive Directors as well as the independent non-executive Directors who are to be re-elected with reference to the independence guidelines set out in Rule 3.13 of the Listing Rules to ensure that they can exercise independent judgment and fulfil their roles as independent non-executive Directors.

The independent non-executive Directors shall not have any financial or family relationships with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. Fees to independent non-executive Directors are in the form of cash payment with additional fees payable to reflect membership or chairmanship of the Board committees. None of the independent non-executive Directors receives equity-based remuneration with performance-related elements.

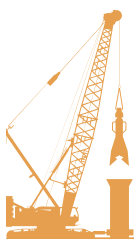


38 CORPORATE GOVERNANCE REPORT

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

The Company's mechanisms in ensuring the availability of independent views to the Board are kept under regular review (at least on an annual basis) to ensure their effectiveness. At the Board meeting, the Board conducted a review and considered that such mechanisms were properly implemented and were effective.

During the Reporting Period, the Chairman held a meeting with the independent non-executive Directors without the presence of the other Directors, in which the independent non-executive Directors could share their views and raise any issues in the absence of other Directors and the management.



REPORTING PERIOD AND FRAMEWORK

This is the ninth year for the Group to prepare a report covering the Environmental, Social and Governance (“**ESG**”) highlighting information as well as performance for Sheung Yue Group Holdings Limited (the “**Company**”) and its subsidiaries (together referred to as the “**Group**”). This ESG report has been prepared in accordance with the requirements of the “ESG Reporting Guide” under Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**ESG Reporting Guide**”). This ESG report was prepared in accordance with the “comply or explain” provision in the ESG Reporting Guide.

Throughout the Reporting Period, the Group maintained the same ESG management structure and process as the last reporting period (from 1 April 2023 to 31 March 2024, “**2024**” or “**2024 Reporting Period**”). The 2024 Reporting Period is used as the baseline year for the ESG Report in the Reporting Period. The baseline year of 2024 was selected as it reflects the most recent reporting period in which the Group’s ESG management structure and processes remained consistent with the current framework, ensuring comparability and continuity in tracking performance improvements.

OUR BUSINESS AND APPROACH TO ESG AND ESG REPORTING

Foundation works are still the Group’s most important business segment and principally undertaken by our key operating subsidiary, Simon & Sons Engineering Limited. During the process of identifying the scope of the reporting boundary, the Group ensures that the report reflects their ESG impact and performance. For the purpose of this report, the Group herein will review its core business activities and operations in terms of their environmental and social objectives, policies and practices, and their impacts and performances. The scope of this ESG report (“**ESG Report**”) covers the Group’s head office and activities both in Hong Kong and Macau.

The Group’s ESG philosophy is to create long-term value for its stakeholders in alignment with the strategic development and sustainability of its business. The Group is committed to maintaining a rigorous corporate governance framework to promote and safeguard the interests of Shareholders and other stakeholders, thereby upholding the Group’s credibility and reputation.

The Board of Directors of the Company (the “**Board**”) takes a leading role in ESG management. It monitors its ESG practices and takes full responsibility for ESG strategy-making as well as ESG reporting. Appointed by the Board, our business functions identify ESG liabilities and assess their importance to business and stakeholders by reviewing our operations and conducting internal discussions. All departments report at least on an annual basis directly to the management, who ensures the implementation of the Board’s approved strategies and policies and addresses all environmental and social issues detailed in the ESG Reporting Guide. The management of the Company collects, compiles and formulates data and statistics on ESG related issues and Key Performance Indicators (“**KPIs**”), and regularly reviews ESG liability risk management and internal monitoring systems and confirms their effectiveness to the Board.

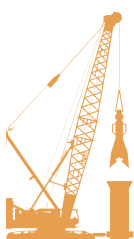


40 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In order to better understand the opinions and expectations of different stakeholders on the ESG issues, materiality assessment is conducted annually. The Group ensures various platforms and channels of communication are used to reach, listen and respond to its key stakeholders. Through communication with the stakeholders, the Group is able to understand their expectations and concerns. The feedbacks obtained allow the Group to make more informed decisions, and to better assess and manage the impacts of the business decisions. The Group has evaluated the materiality in ESG aspects through the following steps: (i) identification of ESG issues by the Group; (ii) key ESG areas prioritisation with stakeholder engagement; and (iii) validation and determining material ESG issues based on the results of communication with the stakeholders. Engaging these steps can enhance the understanding of the degree of importance of the Group's stakeholders to each material ESG issue, which enable the Board to plan the sustainable development direction more comprehensively in the future.

The Group fully understands that ESG policies and practices may change over time to reflect the changes in business operations, structures, technologies, laws and regulations, and the environment and continuously reviews from time to time for the performance and implementation progress of the ESG-related goals and targets. The Group thus continues to invest substantial resources to monitor ESG issues, policies and practices and performance on an ongoing basis. In order to contribute to the sustainable development on the environment and society, whilst maximising the benefits to our employees and the stakeholders, the Group has continued to exercise due responsibility in maintaining the highest level of ethical standards when conducting its business and upholds strict compliance with all relevant laws, rules and regulations in all ESG matters.

The Group keeps striving to identify, manage and improve our standard of ESG and strictly complied with statutory requirements as well as ordinances, regulations and other legislative requirements. The Group will keep strengthening our performance in environmental and social aspects as part of our business development.



REPORTING PRINCIPLES

The Group has compiled the ESG Report in accordance with the following reporting principles:

- Materiality : The Group has identified the materiality of ESG topics by stakeholder engagement and materiality assessment. The details are explained in the section headed “STAKEHOLDERS’ ENGAGEMENT AND MATERIALITY ASSESSMENT”.
- Quantitative : Under feasible situation, the Group recorded, calculated and disclosed quantitative information and conducted comparisons with past performance, if applicable. Details of the calculation standards/methods for the reporting of emissions/use of resources, where applicable, are disclosed together with the data tables in relevant sections.
- Balance : Both positive and negative sides of the performance have been presented in a transparent and unbiased manner.
- Consistency : The methodology adopted for disclosing key environmental and social performance indicators, data collection and verification is consistent with that of the previous reporting period.

STAKEHOLDERS’ ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholders’ perspective on ESG include owners, government authorities, customers, bankers, investors, employees, business partners, sub-contractors, suppliers, unions, various kinds of media and the community organisations in general.

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

The Group realises that communication with stakeholders is important. An effective communication shall be achieved via diverse range of continuous assessments and feedback collection through our internal meetings and external meetings with our stakeholders. Various communication channels include but not limited to the annual general meeting, employee suggestion box, site visits, client satisfaction surveys, telephone enquiry, various communication apps, periodical sub-contractor and supplier evaluation as well as inviting them to participate the meeting and consultation from them.

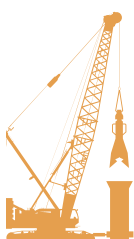


42 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SCOPE OF REPORTING

This ESG report is organised into two sections, namely “Environment” and “Social”, focusing on the following aspects in compliance with the ESG standards:

ESG Standard for Reporting		Sheung Yue's Compliance Section
A. Environmental	A1. Emissions	1. Governance on Air and GHG Emissions
		2. Waste Management
	A2. Use of Resources	Minimising Energy Consumption
	A3. The Environment and Natural Resources	Environmental Protection and Natural Resources
	A4. Climate change	Identifying climate change risk and mitigating the associated impacts
B. Social	<i>Employment Practices</i>	
	B1. Employment and Labour Practices	Equal Employment Practices
	B2. Health and Safety	Promoting Health and Safety
	B3. Development and Training	Talent Management
	B4. Labour Standards	Prohibiting Child and Forced Labour
	<i>Operating Practices</i>	
	B5. Supply Chain Management	Upholding High Procurement Standards
	B6. Product Responsibility	Delivering Unmatched Product Quality
	B7. Anti-corruption	Commitment to Anti-corruption
	B8. Community Investment	Contributing to the Welfare of Society



CARING FOR THE ENVIRONMENT AND NATURAL RESOURCES

A. Environmental

A1 Emissions

Governance on Air and GHG Emissions

The Group is engaged in undertaking foundation works and some environmental impacts may cause emissions and wastes during operation. We have been always taking various measures i.e. “Design and Planning, Reuse and Recycle, On-Site Sorting, Air Pollution and Carbon Emission, Wastewater Pollution and Noise Pollution” to mitigate and/or avoid such impacts as mentioned in our last year report.

By taking those measures in an effective manner, the Group has thoroughly implemented the Integrated Management Systems covering quality, environmental, safety and energy in both management level and operational level. Our key operating subsidiary, Simon & Sons Engineering Limited has been granted with the latest editions of certificates, i.e. “ISO 9001:2015 – Quality Management Systems and ISO 14001:2015 – Environmental Management Systems, ISO 45001:2018 – Occupational Health and Safety Management Systems and ISO 50001:2018 – Energy Management Systems” from the accredited certification body in compliance with the international standard requirements. Those changes have been substantially reviewed before put into our current management systems for implementation.

The Group adheres to good environmental management and strives to protect the environment to fulfil its corporate social responsibility. The Group has established environmental policies and integrated the concept of sustainable development into its operation. The environmental management system has been certified by the international standard ISO 14001:2015 and complies with the standard to ensure environmental friendliness for the design and construction of building works.

In addition, to minimise the adverse impact caused by our operations, the Group has included in our scope of works the measures in pollution control, conservation of the resource and waste reduction by reuse, recovery, and recycling of used materials as practicable as below:

- Commit to comply with relevant environmental legislation and regulations;
- Set out environmental targets, and continuously review to improve;
- Provide training to staff to arose environmental awareness; and
- Ensure the environmental policy is made available to the public and clearly communicated to all employees within the Group.



44 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group strictly complies with the relevant laws and regulations in Hong Kong, including but not limited to:

- Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong);
- Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong);
- Noise Control Ordinance (Chapter 400 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).

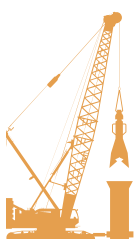
During the Reporting Period, the Group is not aware of any material non-compliance with environmental laws and regulations relating to air and Greenhouse Gas (“GHG”) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant adverse impact on the Group.

Having consulted various parties regarding the upcoming changes of the latest international standard requirements, we notice that “Understanding the Organizational Context, Organisational Knowledge, Risk and Opportunity” will still be the key elements for us to address and to be integrated into the management systems by considering any issues that may have affected or influenced the development of the Company both internally and externally to all of our management systems under implementation.

Air emissions

The Group's air emissions generated mainly from fuel consumption of the Group's vehicles during the Reporting Period are as follows:

Air emissions	Unit	2025	2024
Nitrogen oxides (“NO _x ”)	Emissions (kg)	28.62	31.18
Sulphur oxides (“SO _x ”)	Emissions (kg)	0.61	0.67
Particulate matters (“PM”)	Emissions (kg)	2.11	2.30



GHG emissions and energy conservation

The GHG emissions generated by the Group are separated below in direct and indirect section. The direct emissions are from the consumption of petrol and diesel in the Group's vehicles and consumption of Ultra-low-sulfur diesel (ULSD) from stationary combustion sources, while the indirect emissions are via usage of outsourced electricity. The following table shows the figures of the Group's GHG emissions during the Reporting Period.

GHG emissions	Types of emissions	Unit	2025	2024
CO ₂ from vehicles combustion	Direct	tCO ₂ e	99.28	108.77
CH ₄ from vehicles combustion (CO ₂ -equivalent emissions)	Direct	tCO ₂ e	0.17	0.19
N ₂ O from vehicles combustion	Direct	tCO ₂ e	5.92	6.64
CO ₂ from stationary combustion sources	Direct	tCO ₂ e	3,670.29	8,160.15
CH ₄ from stationary combustion sources	Direct	tCO ₂ e	0.94	2.09
N ₂ O from stationary combustion sources	Direct	tCO ₂ e	2.75	6.12
CO ₂ from electricity consumption	Indirect	tCO ₂ e	17.28	19.51
Total		tCO ₂ e	3,797.13	8,303.47

* The figures may not add up due to rounding.

There were 3,797.13 tonnes of carbon dioxide equivalent ("tCO₂e") greenhouse gases (mainly comprised of carbon dioxide, methane and nitrous oxide) emitted from the Group's business operation in the Reporting Period. The annual emission intensity was 0.0143 tonnes per thousand of revenue.

The Group advocates emission reduction and is committed to sustainable operation. The Group has set a target to reduce air pollutants emission and annual GHG emission intensity per unit of production volume by 5%. The Group will actively support corporate sustainable development by conducting our business in an environmentally responsible manner. The Group is aware of the impact brought by climate change and strives to minimise the impact of our operations on the environment. The Group complies with all applicable environmental regulations, and co-operates with its partners, including clients and suppliers, to operate in an environmentally responsible manner to achieve energy efficiency and to reduce, reuse and recycle waste. The Group will review its emission reduction progress regularly and explore more opportunities for various environmental protection goals.



Waste Management

During the Reporting Period, the Group is not aware of any material hazardous waste and non-hazardous waste in its operation and there was no incidence of non-compliance with relevant laws and regulations with significant impact on the environment and natural resources relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

A2 Use of Resources*Minimising Energy Consumption*

The Group dedicates great importance to environmental protection in order to establish an environmentally friendly enterprise. We pay close attention to the intensive and economical utilisation of resources, and advocate environmentally friendly office practices, to greatly reduce the consumption of resources and thus reduce the damage to the environment. For electricity utilisation, staff are required to turn off all electric equipment before leaving for the day, set operating conditions and temperature standards for air-conditioners, and post gentle reminders for conserving electricity to help employees to raise their environmental consciousness.

Types of resources	Unit	2025	2024
Petrol	Litre	18,073	20,357
Diesel	Litre	21,662	23,232
Purchased electricity	kWh	25,047	27,480
Ultra-low-sulfur diesel (ULSD)	Litre	1,404,089	3,121,710
Water	m ³	0	0

During the Reporting Period, the Group consumed 18,073 litres of petrol, 21,662 litres of diesel, 25,047 kWh of electricity and 1,404,089 litres of Ultra-low-sulfur diesel. The annual energy consumption intensity was 54.49 kWh per thousand of revenue. After carefully reviewing its current business operations, the Group has set the consumption target to reduce 5% of the intensity of energy consumption.

The Group has no private water supply in the office and is not involved in the purchase of external water source for construction sites during the Reporting Period.

The Group is not involved in the purchase of package materials for packaging. Throughout the years, the Group has put a strong emphasis on minimising the usage of abovementioned materials during our daily operations. At the production stages, the main waste is paper. The following table shows the figures of material consumption (i.e. paper) in the Group's business operations.

Material Consumption	Unit	2025	2024
Paper	Ream	275	270

The Group actively promotes the importance of reducing the usage of papers, employees are encouraged to communicate through emails and other online means, to implement double-sided printing where possible, and recycle used paper.

A3 The Environment and Natural Resources

Environmental Protection and Natural Resources

The Group has taken an active role in promoting environmental protection and efficient use of resources, by following four basic principles, “reduce”, “reuse”, “recycle” and “replace”, in its daily operation. During the Reporting Period, the operation and daily activities of the Group recognises no significant impact on the environment and natural resources. The Group will further monitor and manage the possible impacts on the environment and natural resources in the future.

A4 Climate Change

Identifying Climate Change Risk and Mitigating the Associated Impacts

During the Reporting Period, the Group has no material impacts raised by climate-related issues. Consciously, the Group is aware that climate-related issues pose harm to the environment and such issues are regulated by the United Nations' Framework Convention. The Group recognises the importance of identifying climate change risk in order to mitigate the associated impacts on its business operations. As a result, the Group has continuously evaluated any impact arising from natural disasters and has taken measures to minimise its impacts.



CARING FOR THE PEOPLE AND SOCIETY

B. Social

B1 Employment and Labour Practices

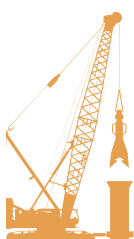
Equal Employment Practices

The Group believes that employees are the largest and most valuable asset of the Group. Human resources managing procedures are formally documented in the employee handbook, covering resources planning, performance evaluation, training, recruitment, promotion, dismissal, resignation, transfer, leave, holidays, remuneration and welfare, etc. These procedures not only provide standardised labour employment management, but also safeguard the legitimate interests of every employee.

Besides, the Group endeavours to protect employees' occupational health and safety. The Group strictly complies with the relevant laws and regulations in Hong Kong, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong); the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong); the Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong); and the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong).

During the Reporting Period, the Group is not aware of any material non-compliance with employment and labour practices related laws and regulations that would have a significant adverse impact on the Group. The Group ensures a stable workforce environment for the development of the Group, especially in the competitive labour markets. Thus, we create and keep a fair employment environment for our employees with reasonable working hours and extra holidays to prevent their burnout. Overtime work is not always encouraged in the Group. However, if our staff are required to work beyond the set working hours, compensatory leave will be granted in return. For any new recruitment and promotion, every candidate or staff is evaluated based on the non-discrimination principle of gender, age, race, marital status, sexual orientation, and religious belief, etc. In addition, we prohibit any violation of human rights and accept zero tolerance towards using forced labour, child labour and illegal workers.

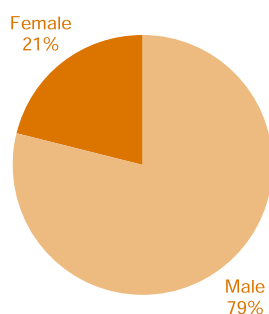
The Group offers a variety of job opportunities and promotions for staff depending on their performance and talent after annual review. Any staff who has demonstrated outstanding performance will be recommended to be promoted or reward.



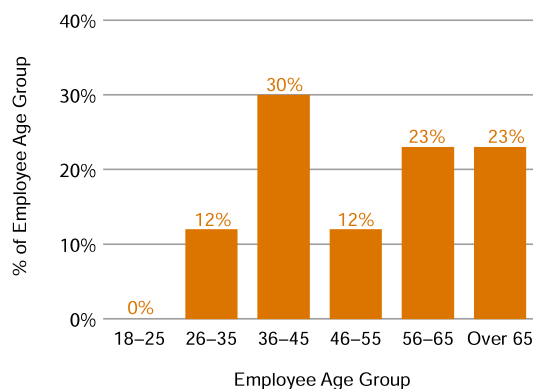
As at 31 March 2025, the Group employed 43 staff in total. For illustration purpose, the workforce statistic by gender and employment type are presented as pie graphs while the age group and employment category are disclosed as bar charts:

Gender and Age Distribution

EMPLOYEE BREAKDOWN
BY GENDER

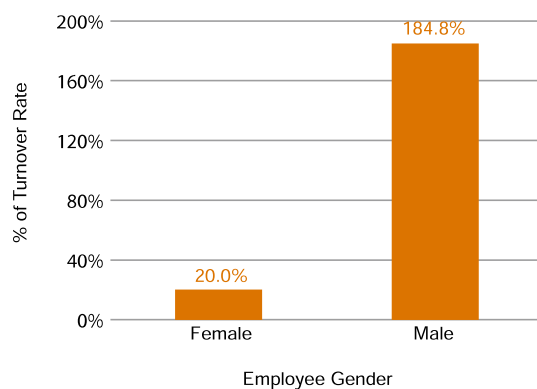


EMPLOYEE BREAKDOWN
BY AGE GROUP

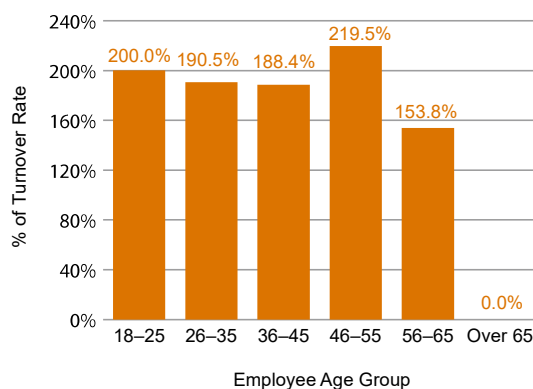


Employment Turnover Rate by Gender and Age Group

EMPLOYEE TURNOVER RATE
BY GENDER



EMPLOYEE TURNOVER RATE
BY AGE GROUP

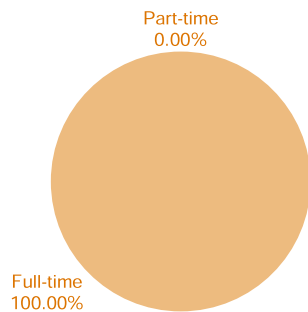


All employees mentioned above are based in Hong Kong.

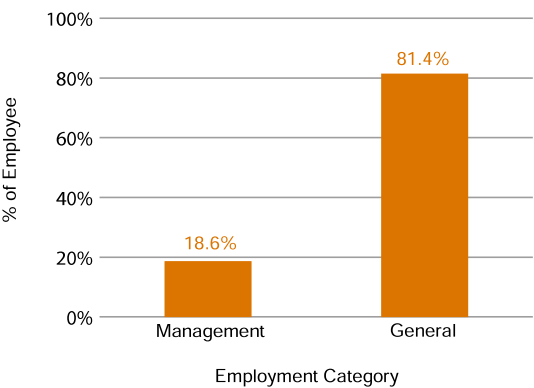


Employment Type and Category Distribution

EMPLOYEE BREAKDOWN
BY EMPLOYMENT TYPE



EMPLOYEE BREAKDOWN
BY EMPLOYMENT CATEGORY



The Group is committed to complying with relevant labour standards and employment laws and regulations which are applicable to our business. During the Reporting Period, no material and significant disputes between the Group and its employees occurred.

As at 31 March 2025, the gender ratio in the workforce of the Group was 79% male and 21% female. The Group will continue to take gender diversity into consideration during recruitment and increase the female proportion at all levels over time with the ultimate goal of achieving gender diversity, such that there is a pipeline of female senior management and potential successors to the Board in the future.

B2 Health and Safety

Promoting Health and Safety

The Group always puts safety and health as priorities in any workplace. Full time safety officer has been engaged in the Group to provide safety induction training, toolbox talk and other relevant safety training to all frontline workforce, supervisory staff, suppliers, sub-contractors and visitors before entering the site for works. Safety procedures with policies are established at workplace with regular review by our Board management members among the other staff members in the “Safety and Health, Environmental and Energy Committee”. Safety officer ensures the effectiveness of the safety management system of the Group by performing regular safety inspection, coordinating various kinds of safety aspects with result monitoring and takes prompt action if any issues being identified. Safety meeting and site inspection will be held regularly to monitor the safety and health performance of our staff. Participation and consultation from them are welcomed to put forward for our whole system improvement.

Adequate and applicable Personal Protective Equipment (PPE) including safety helmets, harness, masks, ear plugs, shoes, goggles, gloves and reflective waistcoats are always kept in stocks and provided to our staff before working on site. Those machines and vehicles have been checked regularly with certificates granted before use. Safety officer has conducted noise assessment to determine the noise level of the plant, equipment, tools and construction process on site and prepare noise assessment report. New assessment would be conducted whenever there are new equipment or plants being introduced, or the working environment has changed which may affect the noise emitted.

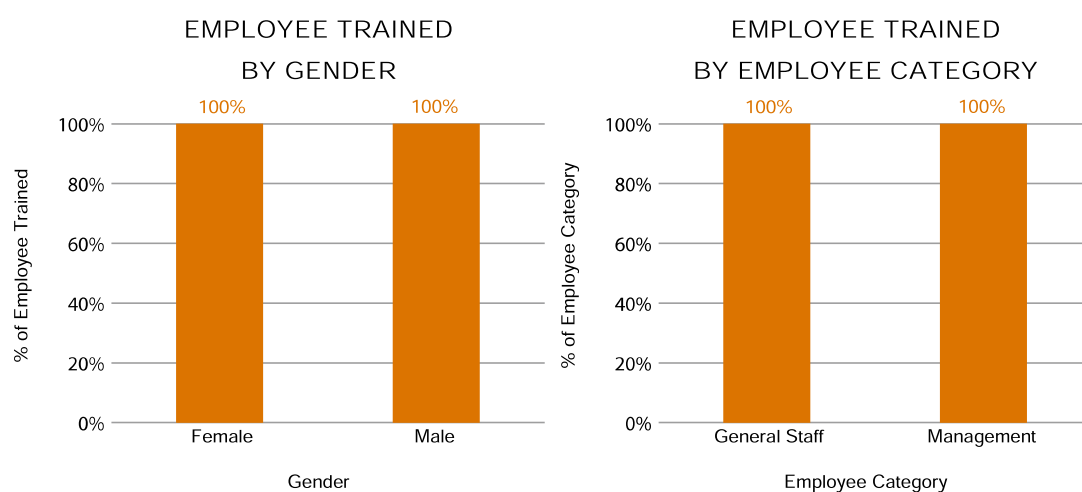
During the Reporting Period, there was no non-compliance with relevant laws and regulations in respect of working environment safety by the Group and there was no severe work-related injury or fatality in the past three years including the Reporting Period. During the Reporting Period, 232 lost days due to work injury were reported.

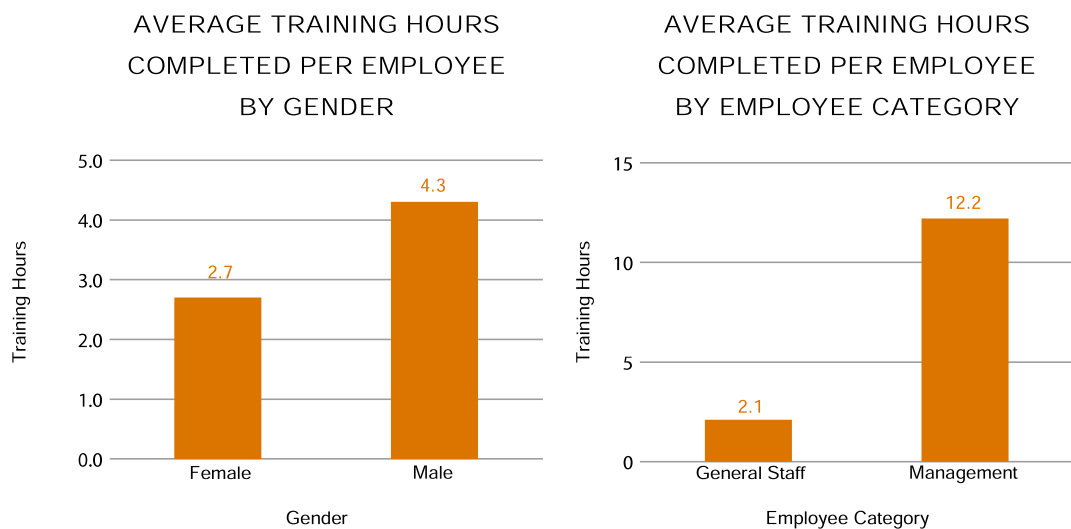
B3 Development and Training

Talent Management

The Group is committed to strengthening its talent pool through establishing a compensation and benefits system and providing continuous and systematic on-the-job training and development to enable staff to keep abreast of the latest industry information and cutting-edge technological know-how. Accordingly, the staff is able to improve their individual competence comprehensively according to our business development objective, forging ahead and developing themselves during the development of the Company.

During the Reporting Period, the development and training statistics of Group employees by gender and employment category are disclosed in the following bar charts:





B4 Labour Standards

Prohibiting Child and Forced Labour

The Group has in place employment policies which maintain strict compliance with the laws in relation to prevention of child or forced labour. The Group prohibits the employment of any individual below the legal age to work as defined by local laws and regulations. Personal data such as identification cards will be collected to verify the identity of the interviewee during the recruitment process to ensure the applicant is over the legally authorised working age pursuant to local labour laws.

The recruitment process of the Group is conducted in a fair, open and voluntary manner. Legal labour contracts are signed on the date of hiring. There was no child or forced labour employed by the Group during the Reporting Period.

In compliance with the requirements of the Labour Law, the Group employs individuals aged above 18 with valid identification documents issued by the relevant government department. Any case of child labour or forced labour, when discovered, shall be investigated, acted upon, and reported to the government authorities promptly in accordance with applicable laws. Further, the Group shall immediately terminate the employment contract and impose due punishment on the erring employees. During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations in this respect.

B5 Supply Chain Management*Upholding High Procurement Standards*

The Group has the following policies in place to manage environmental and social risks in our supply chain. The Group always keeps track of the work processes done by the suppliers and subcontractors and conducts an annual selection process determining whether they are going to be remained or removed from the approved list after conducting performance assessment. The selection criteria include but are not limited to their experience and past performance, willingness to match our management systems covering quality, environmental, safety and health, and energy management. By considering the procurement of machineries, QPME labelled, and Ultra Low Sulfur Diesel shall be selected at priority with the advantages of low noise and less pollution generated during operation and in compliance with the relevant legislative requirements. Furthermore, the Group is mindful of the importance to identify environmental and social risks along the supply chain, and implement careful consideration during the selection process and conduct regular reviews.

The Group currently has 11 suppliers in total, all suppliers are based in Hong Kong.

B6 Product Responsibility*Delivering Unmatched Product Quality*

Despite different kinds of methodologies and materials needed in various types of foundation works, they all have one critical requirement in common which is the product standard quality. No matter how good the superstructure is, high quality foundation work that meets the construction standards is still the fundamental element to support the whole structure. The Group ensures a strong interrelationship with customers, stakeholders, and other interested parties throughout the whole construction stages. An open communication channel is always dedicated to our responsible staff for handling any queries or feedback as quickly as possible. For any feasible and practical improvement action to our operation being received, the possible solutions will be identified, recorded, and followed up with result monitoring by our delegated team members.

During the Reporting Period, there were no product recall cases for safety and health reasons. Furthermore, no product-related complaint was received. The Group actively intervenes in the quality assurance process and recall procedures to ensure high quality foundation work that meets the construction standards.



The Group also puts an emphasis on the data protection and privacy policies by taking the following measures. Employees shall make every effort to provide adequate awareness and physical protection when handling the Group's trade secrets, proprietary information or confidential data. Such information shall be held in the strictest confidence and shall not be disclosed by any employee(s) to any person, firm, or corporation except as necessary in carrying out his or her duties for the Group. Information including enquiries concerning the Group, its customers, business partners, existing and/or former employees should be directed to the appropriate party for proper handling. A breach of the above confidentiality provisions will result in disciplinary actions or dismissal without compensation. No material non-compliance in relation to confidentiality laws and regulations was recorded during the Reporting Period.

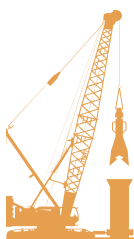
The Group has been strengthening the protection and day-to-day management of intellectual property rights for a long time and has standardised the filing of all patents obtained by the Company and assigned a dedicated department to be responsible for the application, protection, and management of intellectual property rights. During the Reporting Period, there was no non-compliance with relevant national laws and regulations in respect of health and safety, advertising, labelling, and privacy matters relating to products provided by the Group and methods of redress. No material non-compliance in relation to intellectual property rights laws and regulations was recorded during the Reporting Period.

B7 Anti-corruption

Commitment to Anti-corruption

The Group commits to maintaining a high standard of integrity when conducting business as we strongly believe that it is essential to meet the expectations of our stakeholders. Under the Chapter 201 Prevention of Bribery Ordinance, any Director or staff member who, without the permission of his employer or principal (i.e. the Company), solicits or accepts an advantage as a reward or inducement for doing any act or showing favour in relation to the latter's business, commits an offence. In addition, the person offering the advantage also commits an offence.

The Group accepts zero tolerance of any kind of any bribery, extortion, money laundering, false declaration, corruption and fraud. Our staff are encouraged to attend the talk organised by the Community Relations Department of the Hong Kong Independent Commission Against Corruption (ICAC) to let them have a clear picture when facing any issue which may be constructed to corruption during their daily works.



All staff are required to disclose and report to the management of any situation that may reasonably be implicated to a suspected case or give rise to a conflict of interest. Any violation of the anti-corruption regulations shall be subject to legal discretion. During the last whole year, zero corruption cases were noted, and we will stay clean and keep complying with the statutory requirements as always.

The Group has established policy as follows to promote and support “Anti-corruption and Prevention of Bribery”, which applies to all employees including Directors of the Company. This policy provides a means for the Company to conduct all its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its business practice of not engaging in bribery or corruption; and to commit to the prevention of deterrence, detection of fraud, bribery, and all other corrupt business practices.

Employees include all individuals working at all levels and grades, including Directors, senior managers, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, volunteers, interns, agents, sponsors, or any other person associated with the Company, or any of our subsidiaries or their employees; and other interested parties covering clients, customers, suppliers, distributors, business contacts, advisers, government and public bodies, including their advisors, representatives and officials, politicians and political parties shall read, understand and avoid any activity that might lead to, or suggest, a breach of this policy. A bribe may be anything of value and not just money, including but not limited to gifts, inside information, sexual or other favors, corporate hospitality, or entertainment, offering employment to a relative, payment or reimbursement of expenses, charitable donation or social contribution and abuse of function.

Corruption includes wrongdoing on the part of an authority or those in power through means that are illegitimate, immoral, or incompatible with ethical standards. Corruption often results from patronage and is associated with bribery. To maintain the highest standards of integrity, employees must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are recorded and submitted with the reason for the expenditure and relevant training in respect of this area are provided to staff covering directors and general staff. The Group has provided anti-corruption education and training for its directors and staff at least on an annual basis through case studies and internal training to stress the importance of tackling corruption. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers, and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts will be kept “off-book” to facilitate or conceal improper payments and the same is ensured through effective monitoring and auditing mechanisms in place. Every person is encouraged to raise their concerns about any bribery issue or suspicion of malpractice at the earliest possible stage. If he/she is unsure whether a particular act constitutes bribery or corruption or if he/she has any other queries, these should be raised with their superior in accordance with the whistle-blowing policy.



This whistle-blowing policy applies to all employees including Directors of the Company. This Policy provides a means for every reporting to be treated with the utmost confidentiality and promptly investigated without the risk of recourse for the employee so long as their report is made in good faith. Employees on all levels, which include persons employed by or in any other type of relationship of authority to the Company as well as members of the board of Directors are encouraged to report, in good faith, any questionable behavior or concern of suspected criminal or unethical conduct by or within the Company. The whistle-blowing policy also applies to those who deal with the Company (e.g. customers and suppliers).

Any actual or suspected irregularity, malpractice, breach, or misconduct of a general, operational or financial nature within the Company based on reasonable grounds, including concerns that may be viewed as a breach of our code of conduct, is treated as reportable incident.

If requested, the reporting employee, customers and/or suppliers may receive general information on the progress and closing of the investigation and its outcome, unless giving such feedback would be detrimental to the investigation. The Company will make every effort to protect the employee, customers and/or suppliers against retaliation and to keep his/her identity confidential. On the contrary, the Company does not tolerate false accusations, if any employee is found to be deliberately falsifying reports or acting in a manner that is not consistent with the Company’s codes of conduct, such employee will be subject to the disciplinary action as deemed appropriate.

During the Reporting Period, there were no concluded legal cases regarding corruption brought against the Group or its employees. In addition, no material non-compliance in relation to anti-corruption laws and regulations was recorded during the Reporting Period.

B8 **Community Investment**

Contributing to the Welfare of Society

The Group encourages staff to take part in community welfare and voluntary work and our Directors actively maintain communication with non-governmental organisations to understand community needs for the sake of fulfilling its responsibility in giving back to the society.

Over the years, the Group contributes to the community and works towards building a caring society, by donating to charities and supporting a wide range of services of the society such as in the areas of education, environmental concerns and social equality.

Honorary name	Act of service	Date
Rainbow Foundation Limited	Donation	4 October 2024



TO THE SHAREHOLDERS OF SHEUNG YUE GROUP HOLDINGS LIMITED

(上諭集團控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Sheung Yue Group Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 63 to 133, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “Code”), and we have 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.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 March 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 28 June 2024.

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. The key audit matters we identified are:

- (1) Impairment assessment of plant and equipment and right-of-use assets; and
- (2) Impairment assessment of trade receivables and contract assets.



KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of plant and equipment and right-of-use assets Refer to material accounting policy information in note 3(e), key sources of estimation uncertainty in note 4(ii), and relevant disclosures in notes 14 and 15 to the consolidated financial statements. As at 31 March 2025, the carrying amounts of the plant and equipment and right-of-use assets were approximately HK\$94,152,000 and HK\$Nil respectively. Impairment losses on right-of-use assets of approximately HK\$5,190,000 has been recognised for the year ended 31 March 2025. The plant and equipment and right-of-use assets mainly represented the plant and machinery and the leased properties used for office support and warehousing. While the Group continue to generate gross profit, the Group has experienced a concerning decline in both gross profit margins and contract revenue and resulted an overall net loss for the year ended 31 March 2025. In light of these factors, the management of the Group engaged independent professional valuers and performed impairment assessment on the plant and equipment and right-of-use assets. The determination of the recoverable amount of the Group's plant and equipment and right-of-use assets, being the higher of fair value less costs of disposal ("FVLCOD") and value-in-use ("VIU"), requires significant management judgements and estimates. We have identified the impairment assessment of plant and equipment and right-of-use assets as a key audit matter due to their significance to the consolidated financial statements and the involvement of significant judgements and estimates used by the management of the Group and the independent professional valuers when performing the impairment assessment.	Our procedures in relation to the impairment assessment of plant and equipment and right-of-use assets included: - discussing with the management of the Group to identify the indicators of possible impairment on the plant and equipment and right-of-use assets and reviewing the impairment assessment performed by the management of the Group; - assessing the independent professional valuers' qualifications, experience and expertise and considering their objectivity; - with the assistance of auditor's expert, reviewing the methodology adopted, the underlying assumptions and data used in the FVLCOD and VIU calculations, including the underlying assumptions and data used in the cash flow forecasts; - with assistance of the auditor's expert, challenging the appropriateness of the judgements and estimates used by the management of the Group, including revenue growth rate, gross profit margin, and pre-tax discount rate and other key inputs adopted in the FVLCOD and VIU calculations; and - assessing the adequacy of the disclosures made in the consolidated financial statements.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade receivables and contract assets Refer to material accounting policy information in note 3(g), key sources of estimation uncertainty in note 4(iii) and relevant disclosures in notes 18, 19 and 29(a) to the consolidated financial statements. As at 31 March 2025, the carrying amounts of the Group's trade receivables and contract assets were approximately HK\$32,784,000 and HK\$96,241,000, with allowance for expected credit loss ("ECL") of approximately HK\$550,000 and HK\$1,300,000, respectively. Management of the Group performed periodic assessments and exercised judgements and estimates on the recoverability of the trade receivables and contract assets and the sufficiency of provision for allowance for ECL based on information including credit profile of different customers, ageing analysis, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and ongoing trading relationships with the relevant customers. Management of the Group also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the allowance for ECL. In light of these factors, the management of the Group engaged independent professional valuers to assist in determining the allowance for ECL on trade receivables and contract assets. We identified the impairment assessment of trade receivables and contract assets as a key audit matter due to the significance of the trade receivables and contract assets to the consolidated financial statements and the involvement of significant judgements and estimates made by the management of the Group in determining the allowance for ECL on trade receivables and contract assets.	Our procedures in relation to the impairment assessment of trade receivables and contract assets included: - obtaining an understanding of the Group's credit policies and internal control on the ECL assessment; - with assistance of the auditor's expert, assessing the reasonableness of the Group's ECL models by examining the key assumptions and data applied by the management of the Group, including testing the accuracy of the debtors' ageing analysis and historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and assumptions used in each of the economic scenarios and assessing whether there was an indication of management bias when recognising allowance for ECL; - inspecting settlements after the financial year end relating to the trade receivables and contract assets as at 31 March 2025; and - assessing the adequacy of the disclosures in the consolidated financial statements.



60 INDEPENDENT AUDITOR'S 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 auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee assists the directors of the Company in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



62 INDEPENDENT AUDITOR'S REPORT

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

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

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

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

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

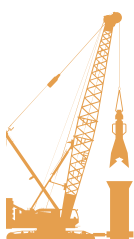
Sham Tsz Leung Desmond

Audit Engagement Director

Practising Certificate Number: P08234

24/F., Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

Hong Kong, 30 June 2025



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

63

FOR THE YEAR ENDED 31 MARCH 2025

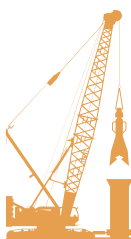
	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	6(a)	264,770	361,257
Cost of services		(245,788)	(330,009)
Gross profit		18,982	31,248
Other income	6(b)	3,442	3,378
Other gains, net	6(b)	403	6
Reversal of/(allowance for) expected credit loss ("ECL") on financial assets, net		1,096	(950)
Impairment loss on right-of-use assets	15	(5,190)	–
Administrative expenses		(22,683)	(23,874)
(Loss)/profit from operation	7	(3,950)	9,808
Finance costs	8	(5,702)	(5,522)
(Loss)/profit before taxation		(9,652)	4,286
Income tax	11	–	–
(Loss)/profit and total comprehensive income for the year attributable to owners of the Company		(9,652)	4,286
		HK cents	HK cents
(Loss)/earnings per share	13		
– Basic and diluted		(1.41)	0.63



64 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Plant and equipment	14	94,152	86,013
Right-of-use assets	15	–	11,199
Financial asset at fair value through profit or loss (“FVTPL”)	16	–	2,860
Rental deposit	19	626	643
		<u>94,778</u>	<u>100,715</u>
Current assets			
Inventories	17	14,541	14,477
Contract assets	18	96,241	118,825
Trade and other receivables	19	56,051	102,979
Pledged bank deposits	20	2,000	2,014
Cash and cash equivalents	20	13,108	17,307
		<u>181,941</u>	<u>255,602</u>
Current liabilities			
Trade and other payables	21	35,502	60,499
Lease liabilities	22	3,923	4,977
Bank and other loans	23	64,145	105,938
		<u>103,570</u>	<u>171,414</u>
Net current assets		<u>78,371</u>	<u>84,188</u>
Total assets less current liabilities		<u>173,149</u>	<u>184,903</u>
Non-current liabilities			
Lease liabilities	22	1,417	3,519
NET ASSETS		<u>171,732</u>	<u>181,384</u>



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

65

AS AT 31 MARCH 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Capital and reserves			
Share capital	25(a)	6,848	6,848
Reserves	25(b)	164,884	174,536
TOTAL EQUITY		171,732	181,384

The consolidated financial statements for the year ended 31 March 2025 were approved and authorised for issue by the Board of Directors of the Company on 30 June 2025 and are signed on its behalf by:

Chan Lap Wai Gary
Director

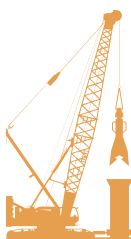
Chan Lap Chuen Edmond
Director



66 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Attributable to owners of the Company						Total
	Share	Share	Merger	Capital	Foreign	Retained	
	capital	premium	reserve	reserve	exchange	profits	
	(Note 25(a))	(Note 25(b)(i))	(Note 25(b)(ii))	(Note 25(b)(iv))	(Note 25(b)(v))		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2023	6,848	98,111	10,010	3,446	244	58,439	177,098
Profit and total comprehensive income for the year	—	—	—	—	—	4,286	4,286
As at 31 March 2024 and 1 April 2024	6,848	98,111	10,010	3,446	244	62,725	181,384
Loss and total comprehensive income for the year	—	—	—	—	—	(9,652)	(9,652)
As at 31 March 2025	6,848	98,111	10,010	3,446	244	53,073	171,732



CONSOLIDATED STATEMENT OF CASH FLOWS

67

FOR THE YEAR ENDED 31 MARCH 2025

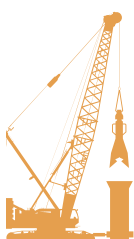
	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities		
(Loss)/profit before taxation	(9,652)	4,286
Adjustments for:		
Depreciation of plant and equipment	21,043	22,105
Depreciation of right-of-use assets	5,252	6,963
Finance costs	5,702	5,522
Interest income on bank deposits	(74)	(52)
Gain on disposal of financial asset at FVTPL	(126)	—
Gain on disposal of plant and equipment	(214)	(6)
Gain on early termination of lease	(63)	—
Impairment loss on right-of-use assets	5,190	—
(Reversal of)/allowance for ECL on financial assets, net	(1,096)	950
Operating cash flows before movements in working capital	25,962	39,768
Changes in working capital:		
Increase in inventories	(64)	(440)
Decrease/(increase) in trade and other receivables	47,280	(18,276)
Decrease/(increase) in contract assets	23,345	(48,426)
(Decrease)/increase in trade and other payables	(24,997)	22,989
Net cash generated from/(used in) operating activities	71,526	(4,385)
Cash flows from investing activities		
Purchases of plant and equipment	(26,903)	(9,967)
Proceeds from disposal of plant and equipment	375	55
Proceeds from disposal of financial asset at FVTPL	2,986	—
Withdrawal/(placement) of pledged bank deposits	14	(2,014)
Interest received	74	52
Net cash used in investing activities	(23,454)	(11,874)



68 CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	2025 HK\$'000	2024 HK\$'000
Cash flows from financing activities		
Bank and other loans raised	55,450	61,759
Repayment of lease liabilities	(4,776)	(7,779)
Repayment of bank and other loans	(97,243)	(43,998)
Interest paid	(5,702)	(5,522)
Net cash (used in)/from financing activities	(52,271)	4,460
Net decrease in cash and cash equivalents	(4,199)	(11,799)
Cash and cash equivalents at the beginning of the year	17,307	29,106
Cash and cash equivalents at the end of the year (Note 20)	13,108	17,307



1. GENERAL

Sheung Yue Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 23 March 2016 as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is located at the Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is Unit 103–105, 1st Floor, New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong.

The Company, an investment holding company, and its subsidiaries (together with the Company collectively referred to as the “Group”) are principally engaged in the provision of foundation works including piling construction, excavation and lateral support (“ELS”) works, pile cap construction, site formation and ancillary services in Hong Kong and Macau. The details of the subsidiaries are set out in note 27.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated. Each entity in the Group maintains its books and records in its own functional currency.

As at 31 March 2025 and 2024, the board of directors of the Company hereby acknowledges that the immediate holding company is Favourable Year Limited, a company incorporated in the British Virgin Islands (the “BVI”), and ultimate holding company of the Company is Creative Elite Global Limited, a company incorporated in the BVI. The ultimate controlling party of Creative Elite Global Limited is vested in the director of the Company, Mr. Chan Lap Wai Gary, and his spouse, Ms. Vane Siu Ling Linda.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

2.1 Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards, which comprise Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

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



70 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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

2.1 Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year (Continued)

Except as described below, the other amendments to HKFRS Accounting Standards effective for the current year do not have a material impact on the Group's consolidated financial positions and consolidated financial performance for the current and prior year and/or on the disclosures set out in these consolidated financial statements.

Adoption of Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current" and Amendments to HKAS 1 "Non-current Liabilities with Covenants" (collectively the "HKAS 1 Amendments")

As a result of the adoption of the HKAS 1 Amendments, the Group changed its accounting policy for the classification of borrowings as below:

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

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the end of the reporting period do not affect the classification."

This new accounting policy did not result in a change in the classification of the Group's bank and other loans. The Group did not make retrospective adjustments as a result of adopting the HKAS 1 Amendments.

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

2.2 New or amendments to HKFRS Accounting Standards that have been issued but are not yet effective

The following new or amendments to HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Annual Improvements to HKFRS Accounting Standards	Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HK Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

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

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

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

⁴ Effective date to be determined by the HKICPA

Except as disclosed below, the directors of the Company expect that the adoption of the other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the year of initial application.



72 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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

2.2 New or amendments to HKFRS Accounting Standards that have been issued but are not yet effective (Continued)

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of Financial Statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of consolidated financial statements, with a focus on information about financial performance present in the consolidated statement of profit or loss, which will affect how the Group present and disclose financial performance in the consolidated financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss; (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures); and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Statement of compliance

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

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared under the historical cost basis, except for FVTPL that are measured at fair values, at the end of each reporting period, as explained in the accounting policies set out below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**(c) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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

(d) Subsidiaries

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses, if any. 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.



3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Plant and equipment

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

Depreciation is recognised so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The estimated useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The principal annual rates are as follows:

Plant and machinery	12.5%–20%
Furniture and equipment	20%
Motor vehicles	20%

The gain or loss on disposal of an item of plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in the profit or loss on disposal.

Impairment assessment of plant and equipment and right-of-use assets

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

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

In assessing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**(e) Plant and equipment (Continued)*****Impairment assessment of plant and equipment and right-of-use assets (Continued)***

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

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

(f) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group as a lessee

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred.



3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Leases (Continued)

The Group as a lessee (Continued)

Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

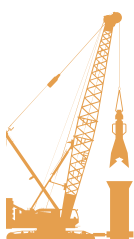
The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment properties and lease liabilities separately in the consolidated statement of financial position.

The Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.



3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**(g) Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised on trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

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

Financial assets***Classification and subsequent measurement of financial assets***

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

All other financial assets are subsequently measured at FVTPL.



3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(g) Financial instruments (Continued)

Financial assets (Continued)*Classification and subsequent measurement of financial assets (Continued)*

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

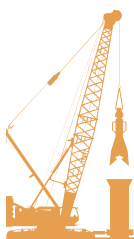
Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under the ECL model on financial assets at amortised cost (including trade and other receivables, pledged bank deposits and cash and cash equivalents) and contract assets which are subject to impairment under HKFRS 9. The amount of the ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the end of the reporting period. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these assets are assessed collectively and individually.

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



3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**(g) Financial instruments (Continued)****Financial assets (Continued)**

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

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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



3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(g) Financial instruments (Continued)

Financial assets (Continued)

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

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, 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.

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**(g) Financial instruments (Continued)****Financial assets (Continued)***Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)***(v) Measurement and recognition of the ECL**

The measurement of the ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets at amortised cost, this is represented by the assets' gross carrying amount at the end of the reporting period determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information. Estimation of the ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables and contract assets using a provision matrix taking into consideration the historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- (a) Past-due status;
- (b) Nature, size and industry of debtors; and
- (c) External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an allowance for ECL in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.



3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**(g) Financial instruments (Continued)*****Financial assets (Continued)******Derecognition of financial assets***

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

Financial liabilities and equity***Classification as debt or equity***

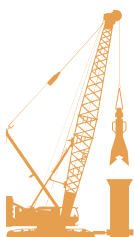
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and bank and other loans are subsequently measured at amortised cost, using the effective interest method.



3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**(g) Financial instruments (Continued)*****Financial liabilities and equity (Continued)******Financial liabilities at amortised cost (Continued)******Bank and other loans***

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

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

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the end of the reporting period do not affect the classification.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(h) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental cost which the Group must incur to make the sale.



3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(i) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

(j) Contract assets

A contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for the ECL and are reclassified to receivables when the right to the consideration has become unconditional.

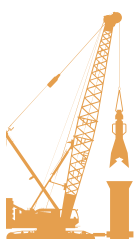
(k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

(l) Revenue recognition

Revenue from contracts with customers

The Group provides building construction 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.



3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**(I) Revenue recognition (Continued)*****Revenue from contracts with customers (Continued)******(i) Construction services***

Revenue from the provision of construction services is recognised over time, using an output method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The output method recognises revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

(ii) Other income – rental income

Rental income from operating lease is recognised on a time proportion basis over the lease terms.

(iii) Other income – interest income

Interest income from bank deposits is recognised using the effective interest method, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

The Group's construction contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits at certain of total contract sum, when the Group receives a deposit before construction commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on successful completion of work. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically reclassified to trade receivable upon completion of work and acceptance by the customers.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which are usually two years from the date of the practical completion of the construction. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed-upon specifications and such assurance cannot be purchased separately.



3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**(m) Income taxes**

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of each of the period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**(n) Employee benefits****(i) Defined contribution retirement plan**

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

During the year ended 31 March 2025, the Group had no forfeited contributions under the MPF Scheme utilised to reduce the existing levels of contributions. As at 31 March 2025, there was no forfeited contribution under the MPF Scheme which may be used by the Group to reduce the contribution payable in the future years.

(ii) Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

(iii) Defined benefit retirement plans

Apart from defined contribution retirement plan, the Group also operates defined benefit retirement plans – long service payment (“LSP”) in Hong Kong.

For the defined benefit retirement plans, the liability recognised in the consolidated statement of financial position is the present value of the defined benefit obligation less the fair value of plan assets, if any. When there is a surplus in a defined benefit plan, the net defined benefit asset, if any, is measured at the lower of the surplus in the defined benefit plan and the asset ceiling. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. If there is no deep market in such bonds, the market rates on government bonds denominated in that currency are used.



3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(n) Employee benefits (Continued)

(iii) Defined benefit retirement plans (Continued)

Remeasurements of the net defined benefit liability – which include actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), if any, and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) – are recognised in other comprehensive income in the period in which they arise and will not be reclassified to profit or loss.

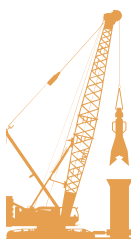
Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. However, if the Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plan.



3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**(n) Employee benefits (Continued)****(iii) Defined benefit retirement plans (Continued)**

For LSP obligation, the Group accounts for the employer contributions to the MPF Scheme expected to be offsetted as a deemed employee contribution towards the LSP obligation in term of HKAS 19 paragraph 93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's contributions to the MPF Scheme that have been vested with employees, which are deemed to be contributions from the relevant employees.

(o) Borrowing costs

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

(i) Useful lives of plant and equipment

The management of the Group determines the estimated useful lives and related depreciation charges for the Group's plant and equipment. These estimates are based on the historical experience of the actual useful lives of plant and equipment of similar nature and functions. The Group will revise the depreciation charges where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of plant and equipment as at 31 March 2025 was approximately HK\$94,152,000 (2024: HK\$86,013,000).



4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)**(ii) Impairment assessment of plant and equipment and right-of-use assets**

Plant and equipment and right-of-use assets are stated at cost less accumulated depreciation and impairment losses. In determining whether an asset is impaired, the management of the Group has to exercise judgements and make estimates, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying amount of an asset can be supported by the recoverable amount. In the case of the FVLCO, this involves estimating the fair value of the asset and deducting any costs associated with disposal. For value in use, the net present value of future cash flows is estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts, including cash flow forecasts and an appropriate discount rate.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets belong. This includes the allocation of corporate assets when a reasonable and consistent basis of allocation can be established; otherwise, the recoverable amount is determined at the smallest group of CGUs for which the relevant corporate assets have been allocated.

Changing assumptions and estimates, including the discount rates, revenue growth rates or gross profit margin in the cash flow forecasts, could materially affect the recoverable amounts. Additionally, the determination of the FVLCO may require regular updates to reflect current market conditions and disposal costs, which can also significantly impact the impairment assessment.

As at 31 March 2025, the carrying amounts of plant and equipment and right-of-use assets were approximately HK\$94,152,000 (2024: HK\$86,013,000) and HK\$Nil (2024: HK\$11,199,000) respectively. During the year ended 31 March 2025, impairment loss on right-of-use assets of approximately HK\$5,190,000 was recognised (2024: HK\$Nil).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)**(iii) Impairment assessment of trade receivables and contract assets**

The management of the Group uses provision matrix to calculate the ECL for the trade receivables and contract assets. The provision matrix is based on the Group's historical default rates taking into consideration the forward-looking information that is reasonable and supportable available without undue costs or effort. At the end of each reporting period, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The calculations of the ECL is sensitive to changes in circumstances and forecast general economic conditions.

As at 31 March 2025, the carrying amounts of trade receivables and contract assets were approximately HK\$32,784,000 and HK\$96,241,000 (net of allowance for ECL of approximately HK\$550,000 and HK\$1,300,000) (2024: HK\$16,734,000 and HK\$118,825,000 (net of allowance for ECL of approximately HK\$Nil and HK\$2,061,000), respectively.

(iv) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable profit against which the deferred tax assets can be utilised, which involves a number of assumptions and estimates relating to the operating environment of the Group and requires a significant level of judgement exercised by management of the Group. Any change in such assumptions and judgements would affect the carrying amounts of deferred tax assets to be recognised and hence the profit in future periods.

5. SEGMENT INFORMATION**(i) Operating segments**

The chief operating decision maker (the "CODM") has been identified as the executive directors of the Company, who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM assesses the performance based on a measure of (loss)/profit for the year and considers all businesses to be included in a single operating segment.

The Group was principally engaged in provision of foundation works including piling construction, ELS works, pile cap construction, site formation and ancillary services in Hong Kong and Macau. Information reported to the CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results and financial position of the Group as a whole, as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no segment information is presented.



92 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

5. SEGMENT INFORMATION (Continued)

(ii) Geographical information

All of the Group's revenue were derived from Hong Kong, based on the location of the customers, and all of its non-current assets were located in Hong Kong, based on the location of assets. Therefore, no geographical information is presented.

(iii) Information about major customers

Revenue attributed from customers that accounted for 10% (2024: 10%) or more of the Group's total revenue during the year ended 31 March 2025 is as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A	79,505	54,551
Customer B	42,612	N/A*
Customer C	N/A*	166,955
Customer D	N/A*	37,972
Customer E	31,886	N/A*

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

6. REVENUE, OTHER INCOME AND OTHER GAINS, NET

(a) Revenue

The Group's revenue represents amount received and receivable from contract work performed and recognised over time in accordance with HKFRS 15 during the years ended 31 March 2025 and 2024, in accordance with accounting policy set out in note 3(l).

As at 31 March 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is approximately HK\$145,085,000 (2024: HK\$204,590,000).

This amount represents revenue expected to be recognised in the future from construction contracts entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 12 months.

6. REVENUE, OTHER INCOME AND OTHER GAINS, NET (Continued)

(b) Other income and other gains, net

	2025 HK\$'000	2024 HK\$'000
Other income		
Interest income on bank deposits	74	52
Rental income	2,081	1,139
Income from the staff outsourcing	1,287	2,187
	3,442	3,378
Other gains, net		
Gain on disposal of plant and equipment	214	6
Gain on disposal of financial asset at FVTPL (Note 16)	126	—
Gain on early termination of lease	63	—
	403	6

7. (LOSS)/PROFIT FROM OPERATION

The Group's (loss)/profit from operation has been arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Auditor's remuneration:		
– Audit services	350	480
Depreciation of:		
– Plant and equipment	21,043	22,105
– Right-of-use assets	5,252	6,963
Expenses related to short-term leases, included in cost of services	3,442	1,296
(Reversal of)/allowance for ECL on:		
– Contract assets	(761)	400
– Trade receivables	550	—
– Advance to subcontractors	(894)	506
– Deposits and other receivables	9	44
Staff costs (including directors' emoluments (Note 10)) (Note 9)	37,939	65,394



94 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

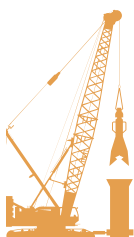
8. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	499	365
Interest on bank overdrafts	64	55
Interest on bank and other loans	5,139	5,102
	<u>5,702</u>	<u>5,522</u>

9. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS (NOTE 10))

	2025 HK\$'000	2024 HK\$'000
Salaries and allowances	36,977	62,398
Contributions to defined contribution retirement plan	926	1,431
Performance related bonuses	36	1,565
	<u>37,939</u>	<u>65,394</u>

Staff costs included in cost of services amounted to approximately HK\$26,447,000 (2024: HK\$52,268,000), comprising salaries and allowances of approximately HK\$25,809,000 (2024: HK\$51,150,000) and contributions to defined contribution retirement plan of approximately HK\$638,000 (2024: HK\$1,118,000).



10. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

- (i) Directors' and chief executive's emoluments for the year ended 31 March 2025, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

	Fees	Salaries and allowances	Performance related bonuses (Note)	Contributions to defined contribution retirement plan	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended 31 March 2025					
<i>Executive directors:</i>					
– Mr. Chan Lap Wai Gary (<i>Chairman</i>)	–	1,807	–	–	1,807
– Mr. Chan Lap Chuen Edmond (<i>Chief Executive Officer</i>)	–	1,625	–	–	1,625
– Ms. Chan Chin Ying Amanda	–	1,118	–	18	1,136
<i>Independent non-executive directors:</i>					
– Mr. Li Hon Hung	180	–	–	–	180
– Mr. Cheng Chi Hung	180	–	–	–	180
– Mr. Wong Yip Kong	180	–	–	–	180
	540	4,550	–	18	5,108
Year ended 31 March 2024					
<i>Executive directors:</i>					
– Mr. Chan Lap Wai Gary (<i>Chairman</i>)	–	1,807	120	–	1,927
– Mr. Chan Lap Chuen Edmond (<i>Chief Executive Officer</i>)	–	1,625	120	17	1,762
– Ms. Chan Chin Ying Amanda	–	1,118	100	18	1,236
<i>Independent non-executive directors:</i>					
– Mr. Li Hon Hung	180	–	–	–	180
– Mr. Cheng Chi Hung	180	–	–	–	180
– Mr. Wong Yip Kong	180	–	–	–	180
	540	4,550	340	35	5,465

Note: The performance related bonuses were determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.



96 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

10. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(i) (Continued)

The executive directors' emoluments shown above were for their service in connections with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

None of the directors of the Company waived or agreed to waive any emoluments and there were no emoluments paid by the Group to any of the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office for both years.

(ii) Five highest paid individuals

The five highest paid individuals whose emoluments were the highest in the Group included 3 (2024: 3) directors of the Company for the year ended 31 March 2025, whose emoluments are reflected in the analysis as shown above. The emoluments of the remaining 2 (2024: 2) highest paid individuals are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and allowances	1,436	1,768
Contributions to defined contribution retirement plan	36	36
Performance related bonuses	—	285
	<u>1,472</u>	<u>2,089</u>

10. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)**(ii) Five highest paid individuals (Continued)**

Their emoluments fell within the following bands:

	2025	2024
	Number of	Number of
	employees	employees
Nil to HK\$1,000,000	2	1
HK\$1,000,001 to HK\$1,500,000	–	1
	2	2

None of the five highest paid individuals waived or agreed to waive any emoluments and there were no emoluments paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office for both years.

(iii) Senior management's emoluments excluding the directors of the Company

The emoluments paid or payable to members of senior management (excluding the directors of the Company) were within the following bands:

	2025	2024
	Number of	Number of
	employees	employees
Nil to HK\$1,000,000	2	2
HK\$1,000,001 to HK\$1,500,000	–	1
	2	3

The emoluments of 1 (2024: 2) members of senior management are included in five highest paid individuals for the year ended 31 March 2025 as set out in note 10(ii) above.



11. INCOME TAX

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

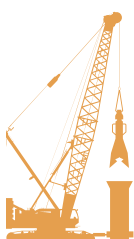
Under the two-tiered profits tax rate regime of Hong Kong Profits Tax, the first HK\$2 million of profits of a qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

For the years ended 31 March 2025 and 2024, Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits of one of the subsidiaries of the Company and at 16.5% on the estimated assessable profits above HK\$2,000,000 of that subsidiary. The profits of other group entities not qualified for the two-tier profits tax regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2025 as the Group had no assessable profits during the year. For the year ended 31 March 2024, while the Group generated assessable profits, no tax provision was required due to the utilisation of available tax losses brought forward from previous years, which fully offset the tax liability.

Macau Complementary Income Tax is calculated at 12% (2024: 12%) of the estimated assessable profits for the years ended 31 March 2025 and 2024.

No Macau Complementary Income Tax has been provided since there were no assessable profits generated for the years ended 31 March 2025 and 2024.



11. INCOME TAX (Continued)

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

	2025 HK\$'000	2024 HK\$'000
(Loss)/profit before taxation	(9,652)	4,286
Tax calculated at the applicable statutory tax rate for Hong Kong of 16.5% (2024: 16.5%)	(1,593)	707
Tax effect of non-taxable income	(12)	(9)
Tax effect of non-deductible expenses	1,273	239
Tax effect of tax losses not recognised	513	7
Tax effect of utilisation of tax losses previously not recognised	–	(2,106)
Tax effect of deductible temporary differences not recognised	–	1,162
Tax effect of utilisation of deductible temporary differences previously not recognised	(181)	–
Income tax	–	–

Details of deferred taxation are set out in note 24.

12. DIVIDENDS

No dividend was paid or proposed for both years, nor has any dividend been proposed since the end of the reporting period.



100 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

13. (LOSS)/EARNINGS PER SHARE

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

	2025	2024
	HK\$'000	HK\$'000
(Loss)/earnings		
(Loss)/profit for the year attributable to owners of the Company	(9,652)	4,286

	2025	2024
	'000	'000

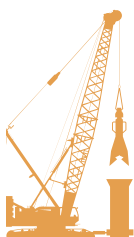
Number of shares

Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share (*Note*)

684,750	684,750
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Note: Weighted average number of ordinary shares for the years ended 31 March 2025 and 2024 are based on the number of ordinary shares in issue throughout the year.

Diluted (loss)/earnings per share is same as basic (loss)/earnings per share during the years ended 31 March 2025 and 2024 as there were no potential dilutive ordinary shares outstanding for both years.



14. PLANT AND EQUIPMENT

	Plant and machinery HK\$'000	Furniture and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost				
As at 1 April 2023	150,507	1,561	11,894	163,962
Additions	11,890	–	327	12,217
Disposals	(27)	–	(818)	(845)
Reallocation from right-of-use assets (Note 15)	10,500	–	–	10,500
As at 31 March 2024 and 1 April 2024	172,870	1,561	11,403	185,834
Additions	26,889	14	–	26,903
Disposals	(2,080)	–	(780)	(2,860)
Written off	–	(840)	–	(840)
Reallocation from right-of-use assets (Note 15)	4,880	–	–	4,880
As at 31 March 2025	202,559	735	10,623	213,917
Accumulated depreciation				
As at 1 April 2023	59,449	1,533	10,134	71,116
Charge for the year	21,595	20	490	22,105
Written back on disposals	(25)	–	(770)	(795)
Reallocation from right-of-use assets (Note 15)	7,395	–	–	7,395
As at 31 March 2024 and 1 April 2024	88,414	1,553	9,854	99,821
Charge for the year	20,541	11	491	21,043
Written back on disposals	(1,988)	–	(711)	(2,699)
Written off	–	(840)	–	(840)
Reallocation from right-of-use assets (Note 15)	2,440	–	–	2,440
As at 31 March 2025	109,407	724	9,634	119,765
Carrying amount				
As at 31 March 2025	93,152	11	989	94,152
As at 31 March 2024	84,456	8	1,549	86,013

As at 31 March 2024, the Group's plant and machinery of approximately HK\$6,941,000 were pledged as collaterals for the banking facilities (Note 23). As at 31 March 2025, the Group did not have any plant and machinery pledged as collateral for loans.

Details of the impairment assessment are set out in note 15.



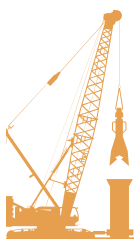
102 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

15. RIGHT-OF-USE ASSETS

The analysis of the carrying amount of right-of-use assets by class of underlying assets is as follows:

	Properties leased for own use HK\$'000	Plant and machinery HK\$'000	Total HK\$'000
Cost			
As at 1 April 2023	10,634	15,380	26,014
Addition	7,174	–	7,174
Termination	(7,055)	–	(7,055)
Reallocation to plant and equipment (<i>Note 14</i>)	–	(10,500)	(10,500)
As at 31 March 2024 and 1 April 2024	10,753	4,880	15,633
Addition	2,878	–	2,878
Termination	(3,579)	–	(3,579)
Reallocation to plant and equipment (<i>Note 14</i>)	–	(4,880)	(4,880)
As at 31 March 2025	10,052	–	10,052
Accumulated depreciation and impairment			
As at 1 April 2023	5,306	6,615	11,921
Charge for the year	4,351	2,612	6,963
Termination	(7,055)	–	(7,055)
Reallocation to plant and equipment (<i>Note 14</i>)	–	(7,395)	(7,395)
As at 31 March 2024 and 1 April 2024	2,602	1,832	4,434
Charge for the year	4,644	608	5,252
Termination	(2,384)	–	(2,384)
Impairment loss	5,190	–	5,190
Reallocation to plant and equipment (<i>Note 14</i>)	–	(2,440)	(2,440)
As at 31 March 2025	10,052	–	10,052
Carrying amount			
As at 31 March 2025	–	–	–
As at 31 March 2024	8,151	3,048	11,199



15. RIGHT-OF-USE ASSETS (Continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 HK\$'000	2024 HK\$'000
Depreciation charge of right-of-use assets by class of underlying assets:		
– Properties leased for own use	4,644	4,351
– Plant and machinery	608	2,612
	5,252	6,963
Expenses related to short-term leases	3,442	1,296
Impairment loss on right-of-use assets	5,190	–
Total cash outflows for lease	8,717	9,440

For both years, the Group leases various offices premises and equipment for its operations. Lease contracts are entered into for fixed term of 2 years to 3 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Impairment assessment on plant and equipment and right-of-use assets

During the year ended 31 March 2025, despite the Group was generating gross profit, there has been a decrease in both gross profit margins and the contract revenue, which has resulted in an overall loss for the year. In light of these factors, the management of the Group concluded that there were indicators of possible impairment as at 31 March 2025. Accordingly, an impairment assessment was conducted to determine recoverable amounts of (i) plant and machinery and motor vehicles included in the plant and equipment; and (ii) right-of-use assets associated with the construction operations of the Group as at 31 March 2025.



15. RIGHT-OF-USE ASSETS (Continued)**Impairment assessment on plant and equipment and right-of-use assets (Continued)**

For the impairment assessment on above-mentioned plant and machinery and motor vehicles, the management of the Group determined the recoverable amount of individual assets based on FVL COD. The FVL COD has been determined based on the market approach categorised under Level 3 of the fair value hierarchy. The FVL COD of the plant and machinery and motor vehicles has been determined assuming that (i) the Group sells the assets in its existing state without the inclusion of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which that could significantly affect the value of the assets; (ii) no account has been given to any options or rights of pre-emption that might significantly impact the sale of plant and machinery and motor vehicles; and (iii) no allowance has been made for the plant and machinery and motor vehicles to be sold as one lot or to a single purchaser. Other key assumptions in determining the FVL COD include (i) the transaction prices of recent transactions of similar plant and machinery and motor vehicles with similar conditions; and (ii) the associated costs of disposal.

Based on the calculation of the recoverable amount of plant and machinery and motor vehicles as at 31 March 2025, no impairment loss has been recognised in respect of plant and equipment for the year ended 31 March 2025 as the recoverable amounts were higher than its respective carrying amounts.

For the impairment assessment on right-of-use assets, since it is not possible to estimate the recoverable amount of individual right-of-use assets, the management of the Group determined the recoverable amount of rights-of-use assets based on value-in-use calculation of the CGU, being the construction operation of the Group, with reference to the present value of the discounted cash flows of such CGU and valued by an independent professional valuer. The value-in-use calculation involved the cash flows forecasts covering five-year period based on the financial budgets approved by the directors of the Company, and discounted using pre-tax discount rate. Cash flows beyond five-year period have been extrapolated using estimated growth rate does not exceed the average growth rate for the relevant markets.

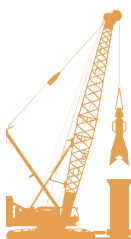
Set out below the key assumptions adopted in the value-in-use calculation:

Gross profit margin (% of revenue)	8%
Revenue growth rate	5%
Discount rate	17%

Gross profit margin – The basis used to determine the value assigned to the budgeted gross profit margin is the average gross profit margin expected to achieve.

Revenue growth rate – The growth rate does not exceed the average growth rate for the industry and the country in which the Group's operates.

Discount rate – The discount rate used is pre-tax and reflects specific risks relating to the Group's operations.



15. RIGHT-OF-USE ASSETS (Continued)**Impairment assessment on plant and equipment and right-of-use assets (Continued)**

Based on the value-in-use calculation of the CGU, the recoverable amount of the CGU is approximately HK\$69,290,000 and impairment loss on right-of-use assets of approximately HK\$5,190,000 (2024: Nil) has been recognised for the year ended 31 March 2025 as the recoverable amounts were lower than its respective carrying amounts.

Management of the Group believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed the recoverable amounts.

16. FINANCIAL ASSET AT FVTPL

	2025 HK\$'000	2024 HK\$'000
Life insurance policy, at fair value	—	2,860

On 16 August 2024, the Group surrendered its life insurance policy. The policy was purchased to insure against the death of the director of the Company, Mr. Chan Lap Wai Gary, with an aggregate insured sum of United States dollars ("US\$") 1,000,000 (equivalent to approximately HK\$7,525,000). Under the policy, the beneficiary and policyholder was Simon & Sons Engineering Limited, a subsidiary of the Company. The Group had paid a single premium payment of approximately US\$356,000 (equivalent to approximately HK\$2,763,000). The policy provided an annual minimum guaranteed return of 4.2% and 2% for the first year and from the second year to the end of the policy, respectively.

Upon surrender of the insurance contract, the Group received surrender proceeds of approximately HK\$2,986,000, which represented the account value net of surrender charges in accordance with the terms and conditions of the policy. The surrender resulted in a gain of approximately HK\$126,000 (Note 6(b)) which has been recognised in consolidated profit or loss during the year ended 31 March 2025.

As at 31 March 2024, the Group's investment in a life insurance policy is grouped into Level 3 category of fair value hierarchy. Details of the fair value measurement are disclosed in note 30.



106 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

17. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Construction materials	14,541	14,477

18. CONTRACT ASSETS

	2025 HK\$'000	2024 HK\$'000
Arising from performance under construction contracts	97,541	120,886
Less: allowance for ECL	(1,300)	(2,061)
	96,241	118,825

Included in carrying amount of contract assets comprises retention receivables of approximately HK\$31,644,000 (2024: HK\$34,470,000) as at 31 March 2025.

The remaining amount of the contract assets primarily relate to the Group's right to consideration for work completed but not billed as receipt of consideration is conditional on successful completion of work and the work is pending for the certification by the customers.

18. CONTRACT ASSETS (Continued)**Construction contracts**

The Group's construction contracts include payment schedules which require progress payments over the construction period once certain specified milestones are reached. Upon completion of work and acceptance by the customers, the amounts recognised as contract assets are reclassified to trade receivables.

The Group also typically agrees to a 2 years retention period of the total contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection.

Retention receivables included in contract assets represents the Group's right to receive consideration for work performed and not yet collectible because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group. For retention receivables in respect of construction contracts, the due dates are usually 2 years after completion of the construction work.

The amount of contract assets (net of allowance for ECL) that is expected to be recovered after more than one year is approximately HK\$31,644,000 (2024: HK\$20,004,000), all of which relates to retention receivables.

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

Details of impairment assessment are set out in note 29(a).

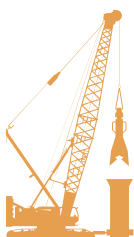


108 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

19. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables (<i>Note (a)</i>)	33,334	16,734
Less: allowance for ECL	(550)	–
	<u>32,784</u>	<u>16,734</u>
Advances to subcontractors (<i>Note (b)</i>)	19,692	85,406
Less: allowance for ECL	(560)	(1,454)
	<u>19,132</u>	<u>83,952</u>
Other receivables	3,272	1,474
Deposits	1,216	1,121
Less: allowance for ECL	(53)	(44)
	<u>4,435</u>	<u>2,551</u>
Prepayments	<u>326</u>	<u>385</u>
	56,677	103,622
Less: Non-current portion		
Rental deposit	(626)	(643)
Total current portion	<u>56,051</u>	<u>102,979</u>



19. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (a) Trade receivables were derived from provision of foundation works, including piling construction, ELS works, pile cap construction, site formation and ancillary services, and are non-interest bearing. The Group does not hold any collaterals or other credit enhancements over these balances.

A credit period of less than 60 days (2024: less than 60 days) since the issuance of invoice or payments received from main contractor is granted by the Group to its trade customers of contract work. Application for progress payments of contract works is made on a regular basis.

The following is an ageing analysis of the carrying amount of trade receivables presented based on the invoice dates, net allowance for ECL:

	2025 HK\$'000	2024 HK\$'000
1–30 days	10,426	12,611
31–90 days	6,462	3,906
More than 90 days	15,896	217
	32,784	16,734

- (b) All advances to subcontractors are interest free and have no fixed terms of repayment. The advances made to subcontractors are for the purpose of working capital for the projects undertaken by the Group, which were trade-related and within the scope of the Group's usual and ordinary business operations. Therefore, the directors of the Company considered that such advances do not constitute to notifiable transactions under the Listing Rules.

Over 40% (2024: 56%) of advance to subcontractors as at 31 March 2025 was subsequently settled after the end of the reporting period.

Detail of impairment assessment of trade and other receivables are set out in note 29(a).



110 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

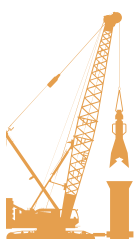
20. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	2025 HK\$'000	2024 HK\$'000
Cash and bank balances	15,108	19,321
Less: pledged bank deposits	(2,000)	(2,014)
Cash and cash equivalents	13,108	17,307

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

As at 31 March 2025 and 2024, the Group's banking facilities were secured by pledged bank deposits amounting to approximately HK\$2,000,000 (2024: HK\$2,014,000) (Note 23).

Details of impairment assessment of bank balances and pledged bank deposits are set out in note 29(a).



21. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables (<i>Note (a)</i>)	16,562	41,560
Retention payables (<i>Note (b)</i>)	14,020	10,653
Other payables and accruals	4,920	8,286
	35,502	60,499

Notes:

- (a) The following is an ageing analysis of trade payables presented based on the invoice dates:

	2025 HK\$'000	2024 HK\$'000
1–30 days	4,375	18,102
31–90 days	8,360	16,620
91–365 days	1,907	4,962
More than 365 days	1,920	1,876
	16,562	41,560

The Group's trade payables are non-interest bearing and generally have payment terms of 30 to 60 days.

- (b) Retention monies withheld from subcontractors of contract works are released by the Group after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts.

Included in retention payables of approximately HK\$12,553,000 (2024: HK\$6,069,000) were expected to be settled more than twelve months after the reporting period.



112 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

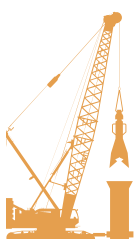
FOR THE YEAR ENDED 31 MARCH 2025

22. LEASES LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Lease liabilities payables:		
Within one year	3,923	4,977
More than one year but not exceeding two years	989	3,519
More than two years but not exceeding five years	428	—
	5,340	8,496
Less: Amount due for settlement within 12 months shown under current liabilities	(3,923)	(4,977)
Amount due for settlement after 12 months shown under non-current liabilities	1,417	3,519

The weighted average incremental borrowing rates applied to lease liabilities is 6.70% (2024: 7.24%).

All lease liabilities are denominated in HK\$.



23. BANK AND OTHER LOANS

	2025 HK\$'000	2024 HK\$'000
Secured bank loans	64,145	102,803
Secured other loan	—	3,135
	<u>64,145</u>	<u>105,938</u>
	2025 HK\$'000	2024 HK\$'000
The carrying amount based on repayment schedule:		
On demand or within one year	43,950	82,213
More than one year but not exceeding two years	3,773	3,600
More than two years but not exceeding five years	13,280	12,064
More than five years	<u>3,142</u>	<u>8,061</u>
	64,145	105,938
Less: Amounts due within one year or contain a repayment on demand clause shown under current liabilities	<u>(64,145)</u>	<u>(105,938)</u>
Amounts shown under non-current liabilities	<u>—</u>	<u>—</u>

Bank and other loans with the aggregate carrying amount of approximately HK\$64,145,000 (2024: HK\$105,938,000) are secured by:

- (a) the Group's bank deposits amounting to HK\$2,000,000 as at 31 March 2025 (2024: HK\$2,014,000) (Note 20);
- (b) the Group's machinery amounting to HK\$Nil (2024: approximately HK\$6,941,000) (Note 14);
- (c) properties of related companies controlled by a director of the Company; and
- (d) individual guarantee by the directors of the Company.



114 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

23. BANK AND OTHER LOANS (Continued)

Effective interest rates

The following table shows average effective interest rate of the bank and other loans of the Group:

	2025		2024	
	Average effective interest rate %	Carrying amount HK\$'000	Average effective interest rate %	Carrying amount HK\$'000
Variable rate:				
Bank loans	4.326	64,145	4.510	102,803
Fixed rate:				
Other loan	N/A	—	6.197	3,135
		<u>64,145</u>		<u>105,938</u>

All bank and other loans are denominated in HK\$.

For the year ended 31 March 2025, included in secured bank loans was approximately HK\$18,091,000 (2024: HK\$24,133,000) borrowed under the Small and Medium Enterprises Financing Guarantee Scheme operated by Hong Kong Mortgage Corporation Insurance Limited. The bank loans were guaranteed by the directors of the Company.

24. DEFERRED TAXATION

Details of the deferred tax (liabilities)/assets recognised and movements during the current and prior years:

	Accelerated depreciation allowances HK\$'000	Tax losses HK\$'000	Total HK\$'000
As at 1 April 2023	(11,860)	11,860	—
Credited/(charged) to profit or loss	<u>1,127</u>	<u>(1,127)</u>	<u>—</u>
As at 31 March 2024 and 1 April 2024	(10,733)	10,733	—
(Charged)/credited to profit or loss	<u>(634)</u>	<u>634</u>	<u>—</u>
As at 31 March 2025	<u>(11,367)</u>	<u>11,367</u>	<u>—</u>

24. DEFERRED TAXATION (Continued)

In accordance with the accounting policy set out in note 3(m), the Group has not recognised deferred tax assets in respect of un-used tax losses of approximately HK\$45,419,000 (2024: HK\$42,310,000) as it is not probable that future taxable profit against which the un-used tax losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

25. SHARE CAPITAL AND RESERVES

(a) Share capital

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	2,000,000,000	20,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	684,750,000	6,848



116 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

25. SHARE CAPITAL AND RESERVES (Continued)

(b) Reserves

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

Movements in the Company's reserves during the years are as follows:

	Share premium (Note (i)) HK\$'000	Contributed surplus (Note (iii)) HK\$'000	Capital reserve (Note (iv)) HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
As at 1 April 2023	98,111	123,683	3,446	(101,460)	123,780
Loss and total comprehensive income for the year	—	—	—	(1,362)	(1,362)
As at 31 March 2024 and 1 April 2024	98,111	123,683	3,446	(102,822)	122,418
Loss and total comprehensive income for the year	—	—	—	(55,767)	(55,767)
As at 31 March 2025	98,111	123,683	3,446	(158,589)	66,651

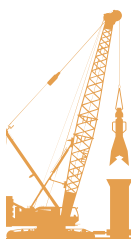
The nature and purpose of reserves within equity are as follows:

(i) Share premium

Share premium account of the Company represents the excess of the proceeds received over the nominal value of the Company's shares issued.

(ii) Merger reserve

Merger reserve of the Group represents the difference between the investment costs in subsidiaries and the nominal value of the issued share capital of the Group's subsidiaries.



25. SHARE CAPITAL AND RESERVES (Continued)**(b) Reserves (Continued)****(iii) Contributed surplus**

Contributed surplus of approximately HK\$123,683,000 represents the excess of the carrying amount of the net assets of a subsidiary of the Company, Favourable Year Limited, acquired and the nominal value of the Company's shares issued for such acquisition.

(iv) Capital reserve

Pursuant to a written confirmation, the ultimate holding company agreed to bear the listing expenses in connection with 50,000,000 sale shares sold through the public offer and placing of the Company's shares during the year and reimbursed its share of these expenses to the Company upon the listing of the Company's share on the Main Board of the Stock Exchange. The reimbursement of approximately HK\$3,446,000 by the ultimate holding company in its capacity as a shareholder was accounted for as capital contribution to the Company.

(v) Foreign exchange reserve

It comprises all foreign exchange differences arising from the translation of the financial statements of foreign operation.



118 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

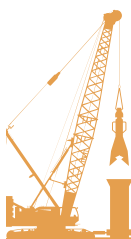
26. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current asset			
Investment in a subsidiary	27	69,290	123,684
Current assets			
Prepayments		113	113
Amount due from a subsidiary		4,102	5,349
Cash and cash equivalents		70	174
		4,285	5,636
Current liabilities			
Accrual and other payable		76	54
Net current assets			
		4,209	5,582
NET ASSETS			
		73,499	129,266
Capital and reserves			
Share capital	25(a)	6,848	6,848
Reserves	25(b)	66,651	122,418
TOTAL EQUITY			
		73,499	129,266

The Company's statement of financial position was approved and authorised for issue by the Board of Directors of the Company on 30 June 2025 and are signed on its behalf by:

Chan Lap Wai Gary
Director

Chan Lap Chuen Edmond
Director



27. PARTICULARS OF SUBSIDIARIES OF THE GROUP

The following list contains the particulars of all subsidiaries of the Group:

Name of the entity	Place and date of incorporation and form of business structure	Proportion of ownership and voting rights held by the Group				Issued and fully paid share capital	Principal activities and principal place of business
		2025		2024			
		Direct	Indirect	Direct	Indirect		
Favourable Year Limited	BVI, 3 March 2016, limited liability company	100%	–	100%	–	200 ordinary shares of US\$1 each	Investment holding, Hong Kong
Rainbow Republic Limited	BVI, 16 December 2015, limited liability company	–	100%	–	100%	1 ordinary share of US\$1	Investment holding, Hong Kong
Simon & Sons Engineering Limited	Hong Kong, 31 October 1986, limited liability company	–	100%	–	100%	Ordinary shares of HK\$90,000,000	Foundation works including piling construction, ELS works, pile cap construction, site formation and ancillary services, Hong Kong
Simon & Sons Engineering (Macau) Limited	Macau, 19 April 2002, limited liability company	–	100%	–	100%	MOP200,000	Foundation works including piling construction, ELS works, pile cap construction, site formation and ancillary services, Macau
Vanbo Engineering Limited	Hong Kong, 18 February 1993, limited liability company	–	100%	–	100%	Ordinary shares of HK\$2	Foundation works including piling construction, ELS works, pile cap construction, site formation and ancillary services, Hong Kong

None of the subsidiaries has issued any debt securities at the end of each reporting period.



120 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 March 2025, the Group entered into certain lease arrangements in respect of properties leased for own use with total capital value at the inception of the leases of HK\$2,878,000 (2024: HK\$7,174,000) and the same amounts of lease liabilities, of which, they were non-cash additions.

(b) Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities:

	Bank overdraft interest payable HK\$'000	Bank and other loans HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
As at 1 April 2023	–	88,177	9,101	97,278
Financing cash flows				
Bank and other loans raised	–	61,759	–	61,759
Repayment of bank and other loans	–	(43,998)	–	(43,998)
Repayment of lease liabilities	–	–	(7,779)	(7,779)
Interest paid	(55)	(5,102)	(365)	(5,522)
Non-cash changes				
New lease entered	–	–	7,174	7,174
Interest incurred	55	5,102	365	5,522
As at 31 March 2024 and 1 April 2024	–	105,938	8,496	114,434
Financing cash flows				
Bank and other loans raised	–	55,450	–	55,450
Repayment of bank and other loans	–	(97,243)	–	(97,243)
Repayment of lease liabilities	–	–	(4,776)	(4,776)
Interest paid	(64)	(5,139)	(499)	(5,702)
Non-cash changes				
New lease entered	–	–	2,878	2,878
Lease termination	–	–	(1,258)	(1,258)
Interest incurred	64	5,139	499	5,702
As at 31 March 2025	–	64,145	5,340	69,485



29. FINANCIAL RISK MANAGEMENT

The Group's principal financial assets are financial asset at FVTPL, trade and other receivables, pledged bank deposits and cash and cash equivalents, that derive principally directly from its operations. Principal financial liabilities of the Group are trade and other payables and bank and other loans. The main purpose of these financial liabilities is to finance the Group's operations.

The Group has not issued and does not hold any financial instruments for trading purposes at the end of each of the reporting period. The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders.

(a) Credit risk and impairment assessment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables and contract assets. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks with high credit rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables and contract assets

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 100% of the total trade receivables as at 31 March 2025 and 2024. The Group has concentration of credit risk as 10% (2024: 35%) and 80% (2024: 96%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. In general, the Group does not obtain any collateral from customers.



122 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

29. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk and impairment assessment (Continued)

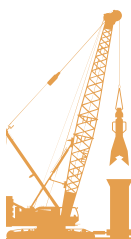
Trade receivables and contract assets (Continued)

The Group measures loss allowance for trade receivables and contract assets at an amount equal to lifetime ECL, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the allowance for ECL based on past due status is not further distinguished between the Group's different customer bases.

Deposits and other receivables

For deposits and other receivables, the management makes periodic individual assessment on the recoverability of deposit and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information and assesses whether their credit risk has increased significantly since their initial recognition, and applies an internal credit rating model to calculate their impairment allowance and recognise their ECL, as follows:

Internal credit rating	Description	Trade receivables/ contract assets	Other financial assets/ other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL	12 months ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL	12 months ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off



29. FINANCIAL RISK MANAGEMENT (Continued)**(a) Credit risk and impairment assessment (Continued)**

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables and contract assets:

	ECL rate	2025		ECL rate	2024	
		Gross carrying amount	Allowance for ECL		Gross carrying amount	Allowance for ECL
Trade receivables	%	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000
Current (not past due)	–	10,441	–	–	12,611	–
1–30 days past due	–	4,703	–	–	3,906	–
Over 30 days past due	3.024	18,190	550	–	217	–
		<u>33,334</u>	<u>550</u>		<u>16,734</u>	<u>–</u>
Contract assets				2025	2024	
ECL rate (%)				1.333%	1.704%	
Gross carrying amount (HK\$'000)				97,541	120,886	
Less: allowance for ECL				(1,300)	(2,061)	
Net carrying amount (HK\$'000)				96,241	118,825	

Expected loss rates are based on actual loss experience. The above expected loss rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the trade receivables and contract assets.



124 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

29. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's other financial assets, which are subject to ECL assessment:

	Notes	Internal credit rating	12 months ECL	31 March 2025		31 March 2024	
				Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
				HK\$'000	HK\$'000	HK\$'000	HK\$'000

Financial assets at amortised cost

Advances to subcontractors	19	Low risk	12 months ECL	19,692	(560)	85,406	(1,454)
Deposits and other receivables	19	Low risk	12 months ECL	4,488	(53)	2,595	(44)

Movement in the loss allowance for trade and other receivables measured at amortised cost during the year is as follows:

	Lifetime ECL		12-month ECL		Total
	Trade receivables	Contract assets	Advances to subcontractors	Deposits and other receivables	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2023	–	1,661	948	–	2,609
Impairment losses recognised	–	400	506	44	950
As at 31 March 2024 and 1 April 2024	–	2,061	1,454	44	3,559
Impairment losses recognised	550	–	–	9	559
Reversal of impairment loss	–	(761)	(894)	–	(1,655)
As at 31 March 2025	550	1,300	560	53	2,463

29. FINANCIAL RISK MANAGEMENT (Continued)**(b) Liquidity risk**

In the management of liquidity risk, the Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants in order to maintain sufficient reserves of cash and adequate committed lines of funding from major banks to meet its liquidity requirements in the short and long term. The liquidity policies have been followed by the Group during the years and are considered to have been effective in managing liquidity risk.

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

	Contracted undiscounted cash outflows				
	Within 1 year or on demand HK\$'000	Over 1 year but less than 2 years HK\$'000	Over 2 years but less than 5 years HK\$'000	Total HK\$'000	Carrying amount HK\$'000
As at 31 March 2025					
Trade and other payables	35,502	–	–	35,502	35,502
Lease liabilities	4,125	1,037	432	5,594	5,340
Bank and other loans	64,145	–	–	64,145	64,145
Financial guarantee contracts	11,439	–	–	11,439	11,439
	115,211	1,037	432	116,680	116,426
As at 31 March 2024					
Trade and other payables	60,499	–	–	60,499	60,499
Lease liabilities	5,427	3,629	–	9,056	8,496
Bank and other loans	106,466	–	–	106,466	105,938
Financial guarantee contracts	11,439	–	–	11,439	11,439
	183,831	3,629	–	187,460	186,372



29. FINANCIAL RISK MANAGEMENT (Continued)**(b) Liquidity risk (Continued)**

Bank loans with a repayment on demand clause are included in the “within 1 year or on demand” time band in the above maturity analysis. As at 31 March 2025, the aggregate carrying amount of the bank loans with a repayment on demand clause amounted to approximately HK\$64,145,000 (2024: HK\$102,803,000). Taking into account the Group’s consolidated financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand for immediate repayment. The directors of the Company believe that the bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

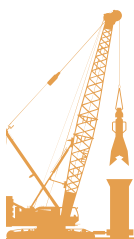
	Maturity Analysis – Bank loans with a repayment on demand clause based on scheduled repayments					Carrying amount HK\$'000
	Within	Over	Over	Total		
	1 year or	1 year but	2 years but	undiscounted		
	on demand	less than	less than	cash outflows		
	HK\$'000	2 years	5 years	Over 5 years	HK\$'000	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 31 March 2025	45,481	4,728	15,425	3,298	68,932	64,145
As at 31 March 2024	81,441	4,755	14,264	9,078	109,538	102,803

The amounts included above for financial guarantee contracts on performance bonds (note 33) are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations as at 31 March 2025 and 2024, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s interest rate risk arises primarily from cash at banks and bank and other loans. The Group’s interest rate profiles as monitored by management is set out below.

The Group was exposed to fair value interest rate risk in relation to other loan with fixed interest rate 6.20%.



29. FINANCIAL RISK MANAGEMENT (Continued)**(c) Interest rate risk (Continued)**

The Group is exposed to cash flow interest rate risk mainly in relation to bank balances and bank loan. The interest rate and terms of repayment of the bank loan are disclosed in note 23. The Group's bank balances are short-term in nature and the exposure of the interest rate is minimal.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate risk exposure and will consider interest rate hedging should the need arise.

At the end of the reporting period, the carrying amount of bank loan of the Group is approximately HK\$64,145,000 (2024: HK\$102,803,000).

Assuming that the amount of bank loan outstanding at the end of the reporting period is outstanding for the whole year and interest rate increase/decrease instantaneously by 25 (2024: 25) basis points at the end of the reporting period, with all other variables held constant, the loss (2024: profit) before tax of the Group would increase/decrease (2024: decrease/increase) by approximately HK\$160,000 (2024: HK\$257,000).

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. No changes in the objectives, policies or processes were made during the year.

The externally imposed capital requirements for the Group is in order to maintain its listing on the Stock Exchange, it has to have a public float at least 25% of the shares. During the years ended 31 March 2025 and 2024, the Group complied with the above public float requirement.

All of the banking facilities are subject to the fulfilment of covenants including those relating to certain financial ratios of the Group, as are commonly found in lending arrangements with financial institutions. If the Group breached the covenants, the drawn down facilities would become repayable on demand. In addition, the loan agreements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and has met the scheduled repayments.

The Group regularly monitors its compliance with these covenants together with the scheduled repayments and does not consider it probable that the bank will exercise its discretion to demand repayment as long as the Group continues to meet these covenants. As at 31 March 2025, none of the covenants relating to drawn down facilities had been breached (2024: Nil).



128 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

29. FINANCIAL RISK MANAGEMENT (Continued)

(d) Capital risk management (Continued)

The Group monitors capital using a gearing ratio, which is interest-bearing debts (including bank and other loans and lease liabilities) divided by the total equity.

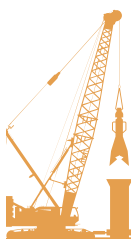
	2025 HK\$'000	2024 HK\$'000
Interest-bearing debts	69,485	114,434
Total equity	171,732	181,384
Gearing ratio	40.46%	63.09%

30. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amount of each of the categories of financial assets and liabilities:

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Financial asset at FVTPL	–	2,860
Financial assets at amortised cost:		
Rental deposits	626	643
Trade and other receivables	55,725	102,594
Pledged bank deposits	2,000	2,014
Cash and cash equivalents	13,108	17,307
	71,459	125,418
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	35,502	60,499
Bank and other loans	64,145	105,938
	99,647	166,437
Financial guarantee contracts (Note 33)	11,439	11,439

The carrying amounts of the financial instruments reasonably approximated to their fair values as at 31 March 2025 and 2024.



30. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

As at 31 March 2024, the fair value of the Group's investment in a life insurance policy classified as financial asset at FVTPL was determined based on the account value less surrender charge, as provided by the insurers. The directors of the Company believe that the estimated fair value resulting from the valuation technique, which is recorded in the consolidated statement of financial position, and the related changes in fair value, which is recorded in profit or loss, is reasonable, and that it was the most appropriate value at the end of the reporting period.

Below is a summary of significant unobservable inputs to the valuation together with a quantitative sensitivity analysis as at 31 March 2024:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Investment in a life insurance policy classified as financial asset at FVTPL	Income approach – discount cash flow model	Interest rate	2.00%–3.35%	Increase in interest rate by 25 basis points would result in increase in fair value by approximately HK\$7,000, vice versa

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Fair value measurement using significant unobservable inputs (Level 3) HK\$'000
As at 31 March 2025	
Financial asset at FVTPL	–
As at 31 March 2024	
Financial asset at FVTPL	2,860



130 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

30. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

The movements in fair value measurement in Level 3 during the current and prior years are as follows:

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	2,860	2,860
Disposal of financial asset at FVTPL	(2,860)	—
At the end of the year	—	2,860

There were no changes in valuation techniques and no transfers between levels during the years ended 31 March 2025 and 2024.

31. RELATED PARTY TRANSACTIONS

Key management personnel compensation

The key management personnel of the Group are the directors of the Company. Details of the remuneration paid to them during the current and prior years are set out in note 10.

32. SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Scheme") on 24 October 2016.

A summary of the Scheme is set out as below:

- (i) The Scheme will remain in force for a period of ten years commencing on the date of adoption and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the Shareholders in general meeting.
- (ii) The Scheme enables the Company to grant options to subscribe for the Shares to any director, employee or officer, partner or adviser of the Company or any of its subsidiaries, as incentives or awards for their contributions to the Group. The purpose of the Scheme is to attract and retain the best available personnel, to provide additional incentive and to promote the success of the business of our Group.
- (iii) The basis of eligibility of any person to the grant of any option shall be determined by the board of directors of the Company from time to time on the basis of his or her contribution or potential contribution to the development and growth of the Group.

32. SHARE OPTION SCHEME (Continued)

- (iv) Under the Scheme, a subscription price shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of our shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of our shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share on the date of grant of the option.
- (v) An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK\$1.0.
- (vi) The maximum number of shares issuable upon exercise of all options to be granted under the Scheme and any other share option schemes of our Company (excluding, for this purpose, shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Scheme or any other share option schemes of our Company) must not in aggregate exceed 10% of all our shares in issue as at the listing date (i.e. 66,000,000 shares) and representing approximately 9.64% of the issued share capital of the Company (excluding treasury shares) as at the date of this report.
- (vii) There were no options outstanding under the Scheme nor was any options granted, agreed to be granted, exercised, cancelled or lapsed under the Scheme during the Reporting Period. The number of options available for grant under the Scheme was 66,000,000 as at 1 April 2024 and 31 March 2025, respectively.
- (viii) The total number of Shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Scheme or any other share option schemes of our Company in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his associates abstaining from voting. In such event, our Company must send a circular to our Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), and all other information required under the Listing Rules. The number and terms (including the subscription price) of the options to be granted must be fixed before the approval of our Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.



132 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

32. SHARE OPTION SCHEME (Continued)

- (ix) An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.
- (x) There is no minimum period for which an option granted must be held before it can be exercised except otherwise imposed by the Board.

No options have been granted, exercised, cancelled or lapsed since the adoption of the Scheme and up to the end of the reporting period.

33. PERFORMANCE BONDS

As at 31 March 2025, the Group has given guarantees on performance bonds issued by financial institutions of approximately HK\$11,439,000 (2024: HK\$11,439,000) in respect of 2 (2024: 2) construction contracts of the Group in its ordinary course of business. This performance bonds are expected to be released in accordance with the terms of the respective construction contracts.

34. RETIREMENT BENEFIT OBLIGATIONS

The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are both required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions. Except for voluntary contribution, no forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. The cap of contribution amount was HK\$1,500 (2024: HK\$1,500) per employee per month.

The retirement benefits scheme contribution arising from the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represent contributions paid or payable to the funds by the Group at rates specified in the rules of the scheme.

34. RETIREMENT BENEFIT OBLIGATIONS (Continued)**Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57)**

Hong Kong employees that have been employed continuously for at least five years are entitled to the LSP in accordance with the Hong Kong Employment Ordinance under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 65 or above, or the employment contract is of fixed term and expires without renewal. The amount of LSP payable is determined with reference to the employee's final salary (capped at HK\$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme with an overall cap of HK\$390,000 per employee. Currently, the group does not have any separate funding arrangement in place to meet its LSP obligation.

In June 2022, the Government gazetted the Amendment Ordinance, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the transition date (i.e., 1 May 2025). Separately, the Government of the Hong Kong Special Administrative Region is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the transition date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the transition date can continue to be applied to offset the pre-transition date LSP obligation but are not eligible to offset the post-transition date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date.

The directors of the Company concluded that the amount of the LSP was immaterial during the years ended 31 March 2025 and 2024.

35. COMPARATIVE FIGURES

Certain comparative figures in the consolidated financial statements have been reclassified to conform to current year's presentation.



134 FIVE-YEAR FINANCIAL SUMMARY

RESULTS	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	264,770	361,257	315,136	213,665	279,022
(Loss)/profit before taxation	(9,652)	4,286	10,836	11,192	(14,475)
Income tax	—	—	—	—	—
(Loss)/profit for the year	(9,652)	4,286	10,836	11,192	(14,475)
Total comprehensive (expense)/income for the year	(9,652)	4,286	10,836	11,192	(14,475)
ASSETS AND LIABILITIES					
Total assets	276,719	356,317	311,886	288,301	275,695
Total liabilities	(104,987)	(174,933)	(134,788)	(122,039)	(120,625)
Net assets	171,732	181,384	177,098	166,262	155,070

This report is published in both English and Chinese languages. Should there be any inconsistency between the Chinese and English versions, the English version shall prevail.

