HING MING HOLDINGS LIMITED
興銘控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8425

ANNUAL REPORT
2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Main Board of the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This report, for which the directors (the "**Directors**") of Hing Ming Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Tang Hing Keung *(Chairman and Chief Executive Officer)*
Mr. Tang Ming Hei

NON-EXECUTIVE DIRECTORS

Ms. Au Fung Yee
Mr. Au Lop Wah Edmond

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwan Woon Man Boris
Mr. Yeung Chi Fai
Mr. Wu Kin San Alfred

AUDIT COMMITTEE

Mr. Wu Kin San Alfred *(Chairman)*
Mr. Kwan Woon Man Boris
Mr. Yeung Chi Fai

REMUNERATION COMMITTEE

Mr. Kwan Woon Man Boris *(Chairman)*
Mr. Yeung Chi Fai
Mr. Wu Kin San Alfred

NOMINATION COMMITTEE

Mr. Kwan Woon Man Boris *(Chairman)*
Mr. Yeung Chi Fai
Mr. Wu Kin San Alfred

AUTHORISED REPRESENTATIVES

Mr. Tang Hing Keung
Mr. Tang Ming Hei

COMPANY SECRETARY

Mr. Yu Tsz Ngo

COMPLIANCE OFFICER

Mr. Tang Ming Hei

INDEPENDENT AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants
Level 8, K11 Atelier
728 King's Road
Quarry Bay
Hong Kong

LEGAL ADVISER

As to Hong Kong Law
Howse Williams
27/F Alexandra House
18 Chater Road
Central, Hong Kong

PRINCIPAL BANKERS

OCBC Wing Hang Bank Limited
DBS Bank (Hong Kong) Limited
Bank of Communications (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

REGISTERED OFFICE

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room A4, 2/F., Tsim Sha Tsui Mansion
83–87 Nathan Road
Kowloon
Hong Kong

STOCK CODE

8425

COMPANY WEBSITE

www.hing-ming.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present the annual report of Hing Ming Holdings Limited (the "**Company**" or "**our Company**") and its subsidiaries (collectively, the "**Group**" or "**our Group**") for the year ended 31 March 2025 ("**FY2025**") on behalf of the board (the "**Board**" or "**our Board**") of directors (the "**Directors**" or "**our Directors**") of the Company.

BUSINESS AND FINANCIAL REVIEW

In FY2025, our Group recorded a decrease in revenue by approximately 1.6% from approximately HK$107.8 million for the year ended 31 March 2024 ("**FY2024**") to approximately HK$106.1 million for FY2025. Our Group recorded a loss and total comprehensive expense of approximately HK$24.7 million for FY2025, as compared to approximately HK$0.6 million for FY2024. The change was mainly due to the increase in loss on disposals of property, plant and equipment by approximately HK$8.3 million and the increase in loss and total comprehensive expense as detailed in the section headed "Management Discussion and Analysis" on pages 4 to 7 of this annual report.

OUTLOOK

At present, the global economic environment is full of uncertainties, such as the global supply chain blockages, inflation and fluctuation in currency exchange rates. Despite the extremely challenging business environment and competition, our Group will continue to strive to focus on capturing the potential growth of the Hong Kong construction market with our Group's competitive strengths and will continue to adopt a positive yet prudent approach in its business strategy, with the aim of enhancing our Group's profitability and shareholders' value in the long run.

Furthermore, our Group will also explore other potential investment opportunities in order to diversify our Group's business and create new source of revenue to our Group.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our sincere gratitude to our valuable customers, business partners, shareholders and suppliers for their continuous support, and to our management and staff members for their diligence, dedication and contribution to the growth of our Group.

Tang Hing Keung
Chairman and Chief Executive Officer

Hong Kong, 20 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Our Group is principally engaged in (i) providing rental services of construction equipment, mainly including tower cranes and generators; and (ii) trading of equipment and spare parts. We have over 25 years of experience in providing rental and related services of construction equipment to our customers.

BUSINESS REVIEW AND OUTLOOK

During FY2025, the Group expanded its business by purchasing additional tower cranes to meet the needs of our customers. We believe that housing construction will continue to drive the demand for our machinery in the future. Given that the number of applications for public housing has been increasing in recent years in Hong Kong, the Hong Kong government and related departments are trying to find more locations to build public housing estates in order to cater for the huge demands. In view of the above, we are confident that the demand for tower cranes will remain strong in the years to come.

RENTAL AND RELATED SERVICES

Our Group has been providing construction equipment, mainly including tower cranes and generators to our customers for housing construction or repair and refurbishment purposes. We also provide related services in installation, dismantling, commissioning, servicing, maintaining, jacking up or down, inspection service and transportation of tower cranes.

TRADING OF EQUIPMENT AND SPARE PARTS

With our established customer and supplier base, we also engage in the trading of equipment and spare parts, mainly including parts and wire rope, predominantly in Hong Kong which further enhances our capability to satisfy customers' demands. We source our equipment and spare parts from suppliers mainly located in Hong Kong and China, and sell them mainly to construction contractors and trading companies in Hong Kong.

For the long-term and diversified development of our Group, we have been exploring other business opportunities in the construction industry in Hong Kong, in an attempt to create greater sustainable returns for our shareholders.

RENTAL FLEET

As at 31 March 2025, the machinery which we carried as part of our rental fleet included temporary suspended working platforms, tower cranes and generators. Details of the machinery available for our rental operations are summarised as follows:

	As at	
	31 March 2025 Number in fleet	31 March 2024 Number in fleet
Temporary suspended working platforms	**–**	404
Tower cranes	**61**	53
Generators	**–**	16

In order to capture the market demand for rental services of tower cranes and to meet the needs of our customers, we purchased 16 tower cranes and 2 existing tower cranes were transferred as inventory sold during FY2025. Such new tower cranes have been used for building construction projects in Tuen Mun, West Kowloon station, and Chai Wan, Hong Kong.

Our Directors will continue to monitor the expansion plan of our rental fleet and the capital requirements of our Group regularly, and will consider rescheduling such expansion according to our operation and needs, the preference of our target customers and the market conditions if necessary. We shall also review regularly the timing for the purchase of additional, and the replacement of existing, construction machineries if, among others, market conditions have changed.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

REVENUE

Our Group recorded a decrease in revenue for FY2025 by approximately 1.6% to approximately HK$106.1 million as compared with the revenue of approximately HK$107.8 million for FY2024. The decrease was mainly due to the decrease in the related income generated from services in equipment installation, demolition and inspection services.

COST OF SALES AND SERVICES RENDERED

Our Group's cost of sales and services rendered amounted to approximately HK$83.1 million for FY2025, representing a decrease of approximately 0.9% (FY2024: approximately HK$83.9 million). Cost of sales and services rendered mainly represents the cost of inventories sold and materials consumed, subcontracting fee, staff costs, rental of equipment and depreciation. The decrease was driven by the decrease in revenue for FY2025.

GROSS PROFIT AND GROSS PROFIT MARGIN

Our Group's gross profit decreased by approximately 4.2% from approximately HK$23.9 million for FY2024 to approximately HK$22.9 million for FY2025 with gross profit margin decreasing to approximately 21.6% for FY2025 (FY2024: approximately 22.2%).

OTHER INCOME

Our Group recognised other income of approximately HK$255,000 and HK$441,000 for FY2025 and FY2024, respectively. The decrease was mainly due to the absence of compensation income in FY2025 (FY2024: approximately HK$360,000).

ADMINISTRATIVE EXPENSES

Our administrative expenses amounted to approximately HK$31.5 million and HK$24.6 million for FY2025 and FY2024, respectively. Administrative expenses primarily consist of salaries and benefit payments paid to directors and staff, depreciation, audit fee and legal and professional fees to ensure on going compliance with relevant rules and regulations. The increase in administrative expenses was mainly due to loss on disposals of property, plant and equipment of approximately HK$8.6 million in FY2025 (FY2024: approximately HK$0.4 million).

FINANCE COSTS

Our finance costs increased by approximately HK$452,000 or 30.9% from approximately HK$1.5 million for FY2024 to approximately HK$1.9 million for FY2025. The increase was mainly due to the increase in outstanding balance of bank loans and other borrowings, and finance charges on sale and leaseback transaction.

LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR

Our Group recorded a loss and total comprehensive expense of approximately HK$24.7 million for FY2025, as compared to approximately HK$0.6 million for FY2024. The change was mainly due to the increase in loss on disposals of property, plant and equipment of approximately HK$8.6 million in FY2025 (FY2024: approximately HK$0.4 million), impairment loss on property, plant and equipment of approximately HK$9.1 million (FY2024: Nil) and the impairment loss and write-off of trade receivables of approximately HK$5.6 million (FY2024: reversal of impairment loss on trade receivable of approximately HK$2.1 million).

CAPITAL EXPENDITURE

Our Group's capital expenditure during FY2025, which primarily comprised expenditure on plant and machinery and motor vehicles, amounted to approximately HK$60.3 million (FY2024: approximately HK$32.8 million). The vast majority of the capital expenditure was used to purchase additional tower cranes, which accounted for approximately 95.8% (FY2024: 87.3%), of the total capital expenditure in FY2025.

LIQUIDITY AND CAPITAL RESOURCES

Our Group financed the operations through a combination of cash flow from operations and finance leases. As at 31 March 2025, our Group had cash and cash equivalents of approximately HK$12.4 million (31 March 2024: approximately HK$13.3 million).

As at 31 March 2025, we had interest-bearing payables for purchase of property, plant and equipment, lease liabilities, loan and borrowing of approximately HK$52.6 million (31 March 2024: interest-bearing payables for purchase of property, plant and equipment, lease liabilities, loan and borrowing of approximately HK$27.2 million), which were denominated in Renminbi, Hong Kong Dollars and Euro. Our gearing ratio, calculated based on the interest-bearing payables for purchase of property, plant and equipment, lease liabilities, loan and borrowing divided by the total equity at the end of the year and multiplied by 100%, stood at approximately 56.9% as at 31 March 2025 (31 March 2024: approximately 23.3%). The increase in gearing ratio was mainly attributable to the increase in and outstanding balance of bank and other borrowings.

As at 31 March 2025, our Group had net current assets of approximately HK$0.4 million (31 March 2024: approximately HK$2.6 million). The decrease in net current assets was the results of the increase in current liabilities, mainly contributed by the increase in contract liabilities, bank and other borrowings.

Our Group's financial position is sound and strong. With available bank balances and cash and banking facilities, our Group has sufficient liquidity to satisfy the funding requirements.

CAPITAL STRUCTURE

As at 31 March 2025, our Company's issued share capital amounted to HK$3,760,000 (31 March 2024: HK$3,760,000) and there were a total of 376,000,000 (31 March 2024: 376,000,000) issued ordinary shares with a nominal value of HK$0.01 each.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group had capital commitments amounted to approximately HK$8.6 million (31 March 2024: approximately HK$37.7 million).

CONTINGENT LIABILITIES

As at 31 March 2025, the Company issued corporate guarantee to a subsidiary in respect of the plant and machinery under lease arrangement at 5.12% to 5.18% per annum (31 March 2024: 5.12% to 5.18%) with the carrying amount of approximately HK$987,000 (31 March 2024: approximately HK$3,695,000).

Save as disclosed above and in note 20 to the consolidated financial statements, as at 31 March 2025, our Group had no material contingent liabilities (31 March 2024: Nil).

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to foreign currency risk primarily attributable to the sales and purchases that are denominated in a currency other than the functional currency of the operations to which the transaction relate. The currency giving rise to this risk is primarily Renminbi, Euro and United States dollars. The Group does not hold or issue material derivative financial instruments for trading purposes or to hedge against fluctuations in foreign exchange rates, but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

DIVIDEND

Our Board has resolved not to recommend the payment of a final dividend for FY2025 (FY2024: Nil).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during FY2025 and there was no other plan for material investments or capital assets as at 31 March 2025.

SIGNIFICANT INVESTMENTS

As at 31 March 2025, our Group did not hold any significant investments.

CHARGE ON OUR GROUP'S ASSETS

As at 31 March 2025, our Group had no charges on our Group's assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, our Group employed 32 (FY2024: 35) full-time employees. Staff costs of our Group (including Directors' remuneration) were approximately HK$27.8 million in FY2025 (FY2024: approximately HK$29.2 million). The staff costs included the performance bonus paid to directors and staff of approximately HK$3.3 million paid during FY2025. We determine the employees' remuneration based on factors such as qualification, responsibilities, contributions and years of experience. In addition to the basic salary and discretionary bonus that may be granted to staff by reference to the Group's financial results, individual staff member's performance and the market conditions, we provide a defined contribution to the mandatory provident fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong. The key principle of our remuneration policy is to remunerate employees in a manner that is market competitive. We regularly carry out staff evaluation to assess their performance. Furthermore, our Company has adopted a share option scheme to reward the participants (as defined thereunder) for their contribution to our Group. The Group also arranges on-the-job trainings relevant to the employees' current job duties to update and further develop their skills and knowledge.

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

Neither the Company nor any member of the Group purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares) during FY2025.

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Our Board consists of seven Directors, comprising two executive Directors, two non-executive Directors and three independent non-executive Directors. Our Board is responsible for and has general powers for management and conduct of our Group's business. Our senior management consists of our director of engineering. Our senior management is responsible for the day-to-day management of our business.

DIRECTORS

EXECUTIVE DIRECTORS

Mr. Tang Hing Keung (鄧興強)

Executive Director, Chairman and Chief Executive Officer

Mr. Tang Hing Keung, aged 67, was appointed as our Director on 8 April 2016 and designated as our executive Director on 24 June 2016. Mr. Tang Hing Keung also holds directorships in all the subsidiaries of the Company. He is one of the founders of our Group, the chairman of our Board and the chief executive officer of the Company, responsible for strategic planning and the overall management and supervision of operations of our Group. Mr. Tang Hing Keung has been a director of Hing Ming Gondola (HK) Company Limited ("**Hing Ming Gondola**") and Trend Novel Limited, both wholly-owned subsidiaries of the Company since September 1997 and April 2016, respectively. Mr. Tang Hing Keung is a director of Hing Gut Limited, which holds approximately 31.9% of the issued Shares as at the date of this annual report.

Mr. Tang Hing Keung has over 25 years of experience in the construction industry, in particular the suspended working platform industry and the tower crane industry in Hong Kong. Prior to incorporating Hing Ming Gondola, he worked in a number of construction companies in Hong Kong. From 1979 to 1983, Mr. Tang Hing Keung worked as a technician in Hopewell Construction Company Limited, mainly responsible for (i) operating tower cranes, welding machines and hydraulic machines, and (ii) repairing tower cranes, suspended working platforms and security cages for workers. From 1983 to 1988, Mr. Tang Hing Keung worked as a technician in Hip Hing Construction Company Limited, mainly responsible for (i) operating tower cranes and welding machines, (ii) installing and repairing construction equipment and (iii) installing security cages for workers. In 1988 and 1989, he worked in Gammon Construction Limited, mainly responsible for operating tower cranes. In February 1990, he established Hing Ming Engineering Co. as a sole proprietorship to start up his own business of machinery engineering in Hong Kong. Mr. Tang Hing Keung completed a three-year prevocational course in Caritas St. Joseph Prevocational School in November 1974.

Mr. Tang Hing Keung was conferred the title of honorary principal of 龍潭興銘雁心小學 (Longtan Hing Ming Hearts Hope Primary School) and 興銘雁心希望小學 (Hing Ming Hearts Hope Primary School) in September 2010 and March 2013, respectively. Both of the schools are in Hunan, the People's Republic of China (the "**PRC**").

Mr. Tang Hing Keung is the husband of Ms. Au Fung Yee, a non-executive Director, the father of Mr. Tang Ming Hei, an executive Director, and the brother-in-law of Mr. Au Lop Wah Edmond, a non-executive Director.

Mr. Tang Ming Hei (鄧銘禧)

Executive Director

Mr. Tang Ming Hei, aged 37, was appointed as our Director on 24 May 2016 and designated as our executive Director on 24 June 2016. He was also appointed as the compliance officer of the Company on 23 June 2016. He is responsible for advising on compliance matters of our Group.

Mr. Tang Ming Hei had worked as a part-time compliance consultant of Hing Ming Gondola since December 2015 until he joined our Group as a full-time compliance consultant in April 2016. He worked in CACEIS Hong Kong Trust Company Limited, a member of Crédit Agricole Group, from December 2014 to April 2016. From November 2013 to December 2014, he worked as a tax consultant in KPMG Tax Limited.

Mr. Tang Ming Hei obtained a dual degree of Bachelors of Laws and Commerce from The University of Queensland, Australia in July 2012. In July 2013, he obtained the Graduate Diploma in Legal Practice from The Australian National University, Australia and obtained a degree of Master of Commerce in Financial Econometrics from the University of New South Wales, Australia.

Mr. Tang Ming Hei was admitted as a Lawyer of the Supreme Court of New South Wales by The Supreme Court of New South Wales in July 2013. He was also admitted as an associate member of CPA Australia in June 2014.

In line with his commitment to continuous professional development and innovation, Mr. Tang Ming Hei has enrolled in the "Developing AI Strategy" certificate program offered by RMIT University, Australia.

Mr. Tang Ming Hei is the son of Mr. Tang Hing Keung and Ms. Au Fung Yee, an executive Director and a non-executive Director, respectively and the nephew of Mr. Au Lop Wah Edmond, a non-executive Director.

NON-EXECUTIVE DIRECTORS

Ms. Au Fung Yee (區鳳怡)

Non-executive Director

Ms. Au Fung Yee, aged 62, was appointed as our Director on 8 April 2016 and designated as our non-executive Director on 24 June 2016. She is one of the founders of our Group and is responsible for the strategic planning and financial planning of our Group. Ms. Au Fung Yee has been a director of Hing Ming Gondola and Trend Novel Limited since September 1997 and April 2016, respectively. Ms. Au Fung Yee is a director of Hing Gut Limited, which holds approximately 31.9% of the issued Shares as at the date of this annual report.

Ms. Au Fung Yee has more than 20 years of experience in the business of suspended working platforms-related business. She founded Hing Ming Gondola together with Mr. Tang Hing Keung in September 1997 and has been a director thereof since then, mainly responsible for handling financial matters. She was also the company secretary of Hing Ming Gondola during the period between September 1997 and June 2006.

Ms. Au Fung Yee is the wife of Mr. Tang Hing Keung, the chairman of the Board, an executive Director and the chief executive officer of the Company, the mother of Mr. Tang Ming Hei, an executive Director, and the younger sister of Mr. Au Lop Wah Edmond, a non-executive Director.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Au Lop Wah Edmond (區立華)
Non-executive Director
Mr. Au Lop Wah Edmond, aged 69, was appointed as our Director on 24 May 2016 and designated as our non-executive Director on 24 June 2016. He is primarily responsible for advising on opportunities for business development and expansion of our Group.

Mr. Au has more than 25 years of experience in engineering and corporation management. From April 1999 to April 2017, he was a director of Alstom Power Service (Hong Kong) Limited (currently known as GE Power Service (Hong Kong) Limited), mainly responsible for the development of the company. From January 1996 to April 1999, he worked as a construction engineer in Mass Transit Railway Corporation, mainly responsible for project management. In October 1973, he joined China Light & Power Company, Limited as a student apprentice, and left as a mechanical maintenance engineer in November 1994.

Mr. Au obtained a Certificate in Supervisory Management from Hong Kong Polytechnic (currently known as Hong Kong Polytechnic University) in November 1980. He was also awarded the Associateship in Mechanical Engineering by Hong Kong Polytechnic in November 1988. In September 1989, he obtained a Diploma in Management Studies awarded jointly by Hong Kong Polytechnic and Hong Kong Management Association.

Mr. Au was admitted as a member and was registered as a Chartered Mechanical Engineer with The Institution of Mechanical Engineers in June 1990 in the United Kingdom. He was also admitted as a member of The Hong Kong Institution of Engineers in November 1994.

Mr. Au is the elder brother of Ms. Au Fung Yee, a non-executive Director, the brother-in-law of Mr. Tang Hing Keung, the chairman of the Board, an executive Director and the chief executive officer of the Company, and the uncle of Mr. Tang Ming Hei, an executive Director.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwan Woon Man Boris (關煥民)
Independent Non-executive Director
Mr. Kwan Woon Man Boris, aged 66, was appointed as our independent non-executive Director on 23 February 2017. He is also the chairman of each of the nomination committee of the Board (the "**Nomination Committee**") and the remuneration committee of the Board (the "**Remuneration Committee**") as well as a member of the audit committee of the Board (the "**Audit Committee**"). He is primarily responsible for providing independent advice to our Board.

Mr. Kwan is a principal security manager of Megastrength Security Services Company Limited, mainly responsible for management of the company. He joined the Hong Kong Police Force in 1978 and retired in 2014 with his last position being the chief inspector. During his service with the Hong Kong Police Force, he was awarded the Hong Kong Police Medal for Meritorious Service in the Hong Kong Special Administrative Region 2014 Honours List in July 2014.

Mr. Kwan completed a Diploma Programme in Police Studies organised by the School of Continuing Studies, The Chinese University of Hong Kong in January 2002.

Mr. Wu Kin San Alfred（胡健生）
Independent non-executive director
Mr. Wu Kin San Alfred, aged 43, was appointed as our independent non-executive Director on 1 November 2023. He is also the chairman of the Audit Committee as well as a member of each of the Nomination Committee and the Remuneration Committee. He is primarily responsible for providing independent advice to the Board.

Mr. Wu has over 20 years of experience in auditing, corporate finance and investment banking. He is currently the executive director, general industry team, investment banking department of Fosun International Capital Limited.

From January 2004 to August 2007, Mr. Wu worked in Deloitte Touche Tohmatsu where his last position was senior accountant. From August 2007 to March 2009, Mr. Wu worked in ICEA Capital Limited where his last position was analyst — investment banking division. From April 2009 to February 2010, Mr. Wu worked in ICBC International Holdings Limited where his last position was associate — investment banking division. From February 2010 to September 2010, Mr. Wu was vice president — investment banking department of CMB International Capital Holdings Corporation Limited (formerly known as CMB International Capital Corporation Limited). From September 2010 to May 2013, Mr. Wu was vice president — investment banking division of CMB International Capital Limited. From May 2013 to August 2014, Mr. Wu worked in Haitong International Capital Limited, which is a subsidiary of Haitong International Securities Group Limited (the shares of which are listed on the Main Board of the Stock Exchange (stock code: 665)) as vice president. From August 2014 to April 2016, Mr. Wu worked in Guosen Securities (HK) Financial Holdings Co., Ltd where his last position was director — investment banking department. From April 2016 to October 2024, Mr. Wu worked at Fortune Financial Capital Limited, a subsidiary of GoFintech Innovation Limited (formerly known as China Fortune Financial Group Limited), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 290), where his last position was managing director of the corporate finance department.

From March 2019 to November 2024, Mr. Wu was an independent non-executive director of Novacon Technology Group Limited, the shares of which are listed on GEM of the Stock Exchange (stock code: 8635). From February 2018 to December 2022, Mr. Wu was an independent non-executive director of Tongda Hong Tai Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2363).

Mr. Wu obtained a degree of Bachelor of Arts in Accounting and Financial Analysis and a Master's degree of Arts in International Financial Analysis from University of Newcastle upon Tyne (currently known as Newcastle University), the United Kingdom, in July 2002 and December 2003, respectively. He was admitted as a member and a fellow of the Hong Kong Institute of Certified Public Accountants in March 2009 and May 2022, respectively.

Mr. Yeung Chi Fai (楊志輝)
Independent non-executive director
Mr. Yeung Chi Fai (楊志輝), aged 75, was appointed as our independent non-executive Director on 5 March 2021. He is also a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee. He is primarily responsible for providing independent advice to the Board.

Mr. Yeung joined the Hong Kong Police Force in August 1972 and retired from the Hong Kong Police Force in June 2005 with his last position being station sergeant. During his service with the Hong Kong Police Force, he was awarded the Police Long Service Medal in August 1990, the 1st Clasp in August 1997 and the 2nd Clasp in August 2002. On the occasion of his retirement, he was awarded the Certificate of Exemplary Service from the Commissioner of Hong Kong Police in May 2004 which further recognised his diligence, efficiency and high standard of duty performance during his service with the Hong Kong Police Force.

Save as disclosed in the sections headed "Directors and Senior Management" on pages 8 to 12 and "Report of the Directors" on pages 13 to 24 of this annual report, none of the Directors is a director or employee of a company which has an interest in the share capital of the Company which would fall to be disclosed to the Company under the provisions in Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

SENIOR MANAGEMENT

Mr. Wong Hon Keung (王漢強)

Director of Engineering

Mr. Wong Hon Keung (王漢強), aged 66, is the director of engineering of our Group. He joined our Group in September 1997 as construction site controller and is primarily responsible for monitoring the installation, operations and maintenance of suspended working platforms, as well as providing training and issuing the operation certificate of suspended working platforms. Mr. Wong has over 30 years of experience in the construction industry. He is a registered skilled worker under the trade division of Plant & Equipment Mechanic (construction work) (Master) with the Hong Kong Construction Industry Council under the Senior Workers Registration Arrangement. Only senior workers with at least 10 years' experience of relevant trade divisions are allowed to register as skilled workers under such arrangement.

REPORT OF THE DIRECTORS

The Board is pleased to present to the shareholders the annual report together with the audited consolidated financial statements of our Group for FY2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and details including the principal activities of its subsidiaries are set out in note 29 to the consolidated financial statements. There was no significant change in our Group's principal activities during FY2025.

CORPORATE REORGANISATION

The Company was incorporated in the Cayman Islands on 8 April 2016 as an exempted company with limited liability under the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised), of the Cayman Islands. In preparation for the listing of the Shares on GEM, the companies now comprising our Group underwent a corporate reorganisation (the "**Reorganisation**"), pursuant to which the Company became the holding company of our Group on 23 February 2017. For details of the Reorganisation, please refer to the section headed "History, Development and Reorganisation" in the Prospectus.

The issued Shares have been listed on GEM of the Stock Exchange since 15 March 2017.

RESULTS AND APPROPRIATIONS

The results of our Group for FY2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 66 of this annual report. No dividend was paid or proposed by the Company during FY2025.

The Board has resolved not to recommend the payment of a final dividend for FY2025 (FY2024: Nil).

BUSINESS REVIEW

The review of the business of our Group during FY2025 and the discussion on our Group's future business development are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on page 3 and pages 4 to 7, respectively, of this annual report, and the description of principal risks and uncertainties facing our Group and the key financial performance indicators are set out in the sections headed "Report of the Directors" and "Management Discussion and Analysis" on pages 13 to 24 and pages 4 to 7 of this annual report, respectively. The financial risk management and fair values of financial instruments of our Group are set out in note 24 to the consolidated financial statements. No important event affecting our Group has occurred since the end of FY2025 and up to the date of this annual report. In addition, discussions on our Group's principal risks and uncertainties, relationships with key stakeholders, environmental policies and performance and compliance with relevant laws and regulations which have a significant impact on our Group are as follows:

PRINCIPAL RISKS AND UNCERTAINTIES

Our Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties. All the risks relating to our Group's business have been set out in the Prospectus under the section headed "Risk Factors".

RELATIONSHIP WITH KEY STAKEHOLDERS

Our Group's success depends on, amongst other matters, the support from key stakeholders who/which comprise employees, customers and suppliers.

EMPLOYEES

Employees are regarded as important and valuable assets of our Group. The objectives of our Group's human resource management are to reward and recognise performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by appropriate training and providing opportunities within our Group for career advancement.

CUSTOMERS

Our customers consist of construction companies, owners of commercial properties and trading companies in Hong Kong, as well as overseas suspended working platform companies. We have established long-term business relationships with some of our customers for over 10 years. Our sales and marketing team maintains contacts with these customers on a regular basis to understand their needs and to provide relevant information to support their projects.

SUPPLIERS

Our suppliers include components and equipment suppliers, which are located in Singapore, the PRC and Hong Kong. We communicate with our suppliers regularly to ensure that they are committed to delivering high-quality and sustainable products and services. We select suppliers from our pre-approved list of suppliers.

ENVIRONMENTAL POLICIES AND PERFORMANCE

We believe that our business depends on, among others, our ability to meet our customers' requirements in respect of safety, quality and environmental aspects. In order to meet our customers' requirements, we have established safety, quality and environmental management systems. Through an effective control of our operations, compliance with safety, quality and environmental requirements can be further assured. Please refer to "Environmental, Social and Governance Report" in this annual report for details of our environmental policies and performance.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Directors confirmed that during FY2025 and up to the date of this annual report, our Group had obtained all the registrations and certifications required for its business and operations and had complied with the applicable laws and regulations in Hong Kong that had a significant impact on it.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of our Group during FY2025 are set out in note 11 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during FY2025, together with the reasons therefor, are set out in note 23 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

During FY2025 and thereafter up to the date of this annual report, our Company did not redeem any of its listed securities nor did the Company or any member of our Group purchase or sell such securities.

DISTRIBUTABLE RESERVES

As at 31 March 2025, the Company had reserves amounting to approximately HK$4,753,000 (2024: approximately HK$15,838,000) available for distribution as calculated based on the Company's share premium and retained earnings under applicable provisions of the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of our Group for the last five financial years is set out on page 116 of this annual report. This summary does not form part of the audited consolidated financial statements of our Group for FY2025.

DIRECTORS

The Directors during FY2025 and up to the date of this annual report were:

EXECUTIVE DIRECTORS

Mr. Tang Hing Keung *(Chairman and Chief Executive Officer)*
Mr. Tang Ming Hei

NON-EXECUTIVE DIRECTORS

Ms. Au Fung Yee
Mr. Au Lop Wah Edmond

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwan Woon Man Boris
Mr. Yeung Chi Fai
Mr. Wu Kin San Alfred

Information regarding Directors' emoluments and the five highest paid individuals in our Group are set out in notes 7 and 8 to the consolidated financial statements.

The biographical details of the Directors and the senior management of the Group are set out in the section headed "Directors and Senior Management" of this annual report.

Pursuant to article 83(3) of the articles of association of the Company (the "**Articles of Association**"), any Director appointed by the Board to fill a casual vacancy on or as an addition to the Board shall hold office only until the first annual general meeting of the Company (the "**AGM**") after his appointment and shall then be eligible for re-election.

Pursuant to article 84(1) of the Articles of Association, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), 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 at an AGM at least once every three years. Pursuant to article 84(2) of the Articles of Association, a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation, who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to article 83(3) of the Articles of Association shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. Accordingly, Mr. Tang Ming Hei, Ms. Au Fung Yee and Mr. Kwan Woon Man Boris will retire from office by rotation at the forthcoming AGM and, being eligible, will offer themselves for re-election thereat.

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all of the independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of our executive Directors has entered into a service contract with the Company for a term of three years commencing on the Listing Date or if later, the relevant appointment/renewal date, which is automatically renewable for successive terms of three years upon expiry, unless terminated by not less than three months' notice in writing served by either party on the other, and is subject to other termination provisions therein and the provisions on retirement of Directors as set out in the memorandum of association of the Company and the Articles of Association (the "**M&A**").

Each of our non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company for an initial fixed term of three years commencing on the Listing Date or if later, the relevant appointment/renewal date, which is automatically renewable for successive terms of three years upon expiry, unless terminated (i) by not less than one month's notice in writing served by the relevant Director; or (ii) forthwith by the Company by notice in writing, and is subject to other termination provisions therein and the provisions on retirement of Directors as set out in the M&A.

No Director proposed for re-election at the forthcoming AGM has entered into a service contract or letter of appointment with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by our Group during FY2025 or existed at the end of FY2025.

ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

At no time during FY2025 or at the end of FY2025 was the Company, or any of its subsidiaries or fellow subsidiaries, or the holding company a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MANDATORY UNCONDITIONAL CASH OFFER

Reference is made to the joint announcement dated 12 July 2024 (the "**Offer Announcement 1**"), the composite offer and response document dated 2 August 2024 (the "**Composite Document**"), and the joint announcement dated 23 August 2024 (the "**Offer Announcement 2**"), jointly issued by Mr. Tang Ming Hei as offeror (the "**Offeror**") and the Company in relation to, among other things, the entering into of the bought and sold notes by the Offeror (as purchaser) and Mr. Lee Yu Leung (the "**Selling Shareholder**") (as vendor) on 9 July 2024, pursuant to which the Selling Shareholder sold, and the Offeror acquired 80,000,000 Shares, representing approximately 21.28% of the total issued share capital of the Company, at a total consideration of HK$32,000,000, which is equivalent to HK$0.04 per Share; and the mandatory unconditional cash offer to acquire all of the Shares in the issued share capital of the Company (other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with him) (the "**Offer**"). Lego Corporate Finance Limited, on behalf of the Offeror, made the Offer pursuant to Rule 26.1 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong. The offer price for each Share was HK$0.04 in cash and the Offer was unconditional in all respects. During the offer period, there were five valid acceptances in respect of a total of 48,132,000 offer Shares under the Offer, representing approximately 12.80% of the issued share capital of the Company. For further details of the Offer, please refer to the Offer Announcement 1, the Composite Document and the Offer Announcement 2.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2025, the interests or short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO) or which would be required (a) pursuant to section 352 of the SFO, to be recorded in the register referred to therein or (b) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, are set out as follows:

LONG POSITION IN THE ORDINARY SHARES OF THE COMPANY

Name of Directors	Capacity/Nature of Interest	Number of Shares Held	Approximate Percentage of Total Issued Shares
Mr. Tang Hing Keung (Note)	Interest in a controlled corporation	120,000,000 (L)	31.9%
Ms. Au Fung Yee (Note)	Interest of spouse	120,000,000 (L)	31.9%
Mr. Tang Ming Hei	Beneficial interest	128,132,000 (L)	34.1%

Note: The Company is owned as to approximately 31.9% by Hing Gut Limited ("**Hing Gut**") which is an investment holding company. Hing Gut is owned as to 90.0% by Mr. Tang Hing Keung and as to 10.0% by Ms. Au Fung Yee. Under the SFO, Mr. Tang Hing Keung is deemed to be interested in the same number of Shares held by Hing Gut. Ms. Au Fung Yee is the wife of Mr. Tang Hing Keung. Under the SFO, Ms. Au Fung Yee is deemed to be interested in the same number of Shares in which Mr. Tang Hing Keung is interested and is deemed to be interested. Mr. Tang Hing Keung and Ms. Au Fung Yee are directors of Hing Gut.

L: Denotes a "long position" (as defined under Part XV of the SFO) in such Shares.

LONG POSITION IN THE ORDINARY SHARES OF THE ASSOCIATED CORPORATION

Name of Directors	Name of Associated Corporation	Capacity/ Nature of Interest	Number of Shares Held	Percentage of Shareholding
Mr. Tang Hing Keung	Hing Gut	Beneficial owner	9	90.0%
Ms. Au Fung Yee	Hing Gut	Beneficial owner	1	10.0%

L: Denotes a "long position" (as defined under Part XV of the SFO) in such Shares.

Save as disclosed above, as at 31 March 2025, none of the Directors and the chief executive of the Company had registered an interest or short position in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or (b) pursuant to section 352 of the SFO, to be recorded in the register referred to therein or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 March 2025, so far as is known to the Directors, the following persons/entity (other than the Directors or chief executive of the Company, whose interests or short positions are disclosed under the paragraph headed "Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above) had interests or short positions in the Shares and the underlying Shares, which were required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

LONG POSITION IN THE ORDINARY SHARES

Name of Shareholder	Capacity/ Nature of Interest	Number of Shares Held	Percentage of Total Issued Shares
Hing Gut (Note)	Beneficial Interest	120,000,000 (L)	31.9%

Note: The Company is owned as to approximately 31.9% by Hing Gut. Hing Gut is owned as to 90.0% by Mr. Tang Hing Keung and as to 10.0% by Ms. Au Fung Yee. Under the SFO, Mr. Tang Hing Keung is deemed to be interested in the same number of Shares held by Hing Gut. Ms. Au Fung Yee is the wife of Mr. Tang Hing Keung. Under the SFO, Ms. Au Fung Yee is deemed to be interested in the same number of Shares in which Mr. Tang Hing Keung is interested and is deemed to be interested.

L: Denotes a "long position" (as defined under Part XV of the SFO) in such Shares.

Save as disclosed above, as at 31 March 2025, the Directors were not aware of any persons who or entities which had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

SHARE OPTION SCHEME

PURPOSE OF THE SHARE OPTION SCHEME

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to a resolution passed on 23 February 2017 for the purpose of providing incentives or rewards to eligible persons whom the Board considers, in its sole discretion, to have contributed or will contribute to our Group. As the Share Option Scheme was adopted before the effective date of the new Chapter 23 of the GEM Listing Rules (i.e. 1 January 2023), the Company has complied and will continue to comply with the new Chapter 23 to the extent required by the transitional arrangements for the existing share schemes. In the future event that the Company wishes to make grants under the Share Option Scheme and/or adopt new share scheme(s), the Company will make appropriate announcement and if necessary seek shareholders' approval accordingly.

As no share option has been granted under the Share Option Scheme since its adoption and up to 31 March 2025, there was no share option outstanding as at 31 March 2025 and no option was exercised or cancelled or lapsed during FY2025.

ELIGIBLE PARTICIPANTS OF THE SHARE OPTION SCHEME

Under the Share Option Scheme, the Board may grant options to eligible persons, including directors of the Company and members of our Group, to subscribe for the Shares. Eligible persons of the Share Option Scheme include, among others, any executive, any employee (including full-time or part-time employee), director (including an independent non-executive Director), shareholder of any member of our Group and an associate of any of the aforementioned persons (the "**Eligible Persons**").

TOTAL NUMBER OF SHARES AVAILABLE FOR ISSUE UNDER THE SHARE OPTION SCHEME TOGETHER WITH THE PERCENTAGE OF THE ISSUED SHARES THAT IT REPRESENTS AS AT THE DATE OF THIS ANNUAL REPORT

The Board shall set out in the offer the terms on which the option is to be granted. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed 30% of the Shares in issue from time to time. No options shall be granted under the Share Option Scheme at any time if such grant shall result in the scheme limit being exceeded.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company shall not in aggregate exceed 40,000,000 Shares (equivalent to 10% of the total number of Shares in issue as at the Listing Date). The Company may seek approval of its shareholders in general meeting for refreshing such 10% limit.

MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT UNDER THE SHARE OPTION SCHEME

Subject to the following paragraph, the maximum number of Shares issued and to be issued upon exercise of the options granted to each Eligible Person (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue for the time being. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Where any grant of options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in issue on the date of such grant; and (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK$5.0 million, such further grant of the options shall be subject to prior approval of the shareholders with such person and his associates abstaining from voting in favour at the general meeting.

Any grant of options to any Director, chief executive or substantial shareholder (as defined in the GEM Listing Rules) of the Company, or any of their respective associates under the Share Option Scheme is subject to the prior approval of the independent non-executive Directors (excluding the independent non-executive Director who or whose associate is the grantee of an option).

PERIOD WITHIN WHICH THE OPTIONS MAY BE ACCEPTED BY GRANTEES UNDER THE SHARE OPTION SCHEME

An offer for the grant of options must be accepted within 21 days from the day on which such offer was made.

VESTING PERIOD OF THE OPTIONS UNDER THE SHARE OPTION SCHEME

Options may be exercised at any time from the date which option is deemed to be granted and accepted and expired on the date as the Board in its absolute discretion determine and which shall not exceed a period of 10 years from the date on which the options are accepted but subject to the provisions for early termination thereof contained in the Share Option Scheme.

AMOUNT PAYABLE ON ACCEPTANCE OF THE OPTION AND THE PERIOD WITHIN WHICH PAYMENTS OR CALLS MUST OR MAY BE MADE OR LOANS FOR SUCH PURPOSES MUST BE REPAID

Options granted shall be taken up upon payment of HK$1 as consideration for the grant of option. The payment or remittance of HK$1.00 shall be made within 21 days from the offer date or within such other period of time as may be determined by the Board pursuant to the GEM Listing Rules.

BASIS OF DETERMINING THE EXERCISE PRICE

The subscription price for the Shares is determined by the Board, and shall not be less than whichever is the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer (which must be a business day); (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the offer date; and (iii) the nominal value of a Share.

REMAINING LIFE OF THE SHARE OPTION SCHEME

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on 23 February 2017. As at 31 March 2025, the remaining life of the Share Option Scheme was approximately 2 years. No share options were granted, forfeited or expired during FY2025. As at 1 April 2024, 31 March 2025 and the date of this annual report, there were a total of 40,000,000 Shares, representing 10% of the issued shares of the Company as at the Listing Date and approximately 10.6% of the issued shares of the Company as at 1 April 2024, 31 March 2025 and the date of this annual report, available for issue under the Share Option Scheme.

CONNECTED TRANSACTIONS

Our Group has entered into two transactions with connected persons of the Company, namely (i) the transactions with Maysun Jewellery Manufacturing Company Limited with respect to the provision of registered office and correspondence address services to the Company and Hing Ming Gondola (HK) Company Limited; and (ii) the transactions with Mr. Au Cho Wah with respect to the provision of examination and testing services for suspended working platforms as a Competent Examiner to our Group. Details of such transactions are set out in the section headed "Connected Transactions" in the Prospectus and note 28 to the consolidated financial statements. As disclosed in the Prospectus, such transactions constitute de minimis continuing connected transactions and are fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

RELATED PARTY TRANSACTIONS

The significant related party transactions entered into by our Group during FY2025 set out in note 28 to the consolidated financial statements included transactions that constitute connected transactions or continuing connected transactions under Chapter 20 of the GEM Listing Rules. Such transactions constitute de minimis continuing connected transactions and are fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no other transactions, arrangements or contracts of significance in relation to the Group's business, to which the Company's holding company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or a connected entity of a Director had a material interest, whether directly or indirectly, subsisted at the end of FY2025 or at any time during FY2025.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 28 to the consolidated financial statements, neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's controlling shareholders or their subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Company's controlling shareholders or their subsidiaries during FY2025.

MANAGEMENT CONTRACTS

No contracts (except for the executive Directors' service contracts) concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during FY2025.

COMPETING BUSINESS

During FY2025, the Directors were not aware of any business apart from the Group's business or interest of the Directors, the controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) that had competed or might compete with the business of our Group and any other conflicts of interests which any such person had or might have with our Group except those disclosed under the section headed "Non-Competition Undertaking" below.

NON-COMPETITION UNDERTAKING

In order to avoid any possible future competition between our Group and our controlling shareholders, Mr. Tang Hing Keung, Ms. Au Fung Yee and Hing Gut (each a "**Covenantor**" and collectively the "**Covenantors**") have entered into a deed of non-competition in favour of our Company (for itself and as trustee for and on behalf of each other member of our Group) on 27 February 2017 (the "**Deed of Non-Competition**"). Pursuant to the Deed of Non-Competition, each of the Covenantors has irrevocably and unconditionally undertaken to our Company (for itself and as trustee for its subsidiaries) that, during the period that the Deed of Non-Competition remains effective, he/she/it shall not, and shall procure his/her/its close associates (other than any member of our Group) not to, carry on, participate in, hold, engage in, be interested in, acquire or operate, whether directly or indirectly, in any business in competition with or likely to be in competition with the existing business activity of any member of our Group.

Each of the Covenantors also gave certain non-competition undertakings under the Deed of Non-Competition as set out in the paragraph headed "Relationship with our Controlling Shareholders — Non-Competition undertaking" of the Prospectus.

The Company has received an annual written confirmation from each controlling shareholder of the Company in respect of him/her/it and his/her/its close associates in compliance with the Deed of Non-Competition. The independent non-executive Directors have also reviewed and were satisfied that each of the controlling shareholders of the Company had complied with the Deed of Non-Competition.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified out of the assets or profits of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has arranged appropriate Directors' liability insurance coverage.

The relevant provisions in the Articles of Association and the Directors' liability insurance were in force during FY2025 and as at the date of this annual report.

REMUNERATION POLICY

The remuneration policy of the employees of our Group has been set up by the Remuneration Committee on the basis of their merit, qualifications and competence. The remuneration of the Directors is recommended by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. The Company has adopted the Share Option Scheme as an incentive to Eligible Persons.

RETIREMENT BENEFIT SCHEME

Details of our Group's retirement benefit scheme are set out in note 21 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained a sufficient public float throughout FY2025 and thereafter up to the date of this annual report as required under the GEM Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of our Group's turnover and purchases attributable to major customers and suppliers during FY2025 and FY2024 are as follows:

	FY2025	FY2024
	%	%
Percentage of turnover		
From the largest customer	**37.1**	46.6
From the five largest customers in aggregate	**85.3**	92.8
Percentage of purchase		
From the largest supplier	**34.5**	28.3
From the five largest suppliers in aggregate	**57.8**	70.9

None of the Directors, their close associates (as defined in the GEM Listing Rules) or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued Shares) had any interest in the five largest customers nor five largest suppliers during FY2025.

CORPORATE GOVERNANCE

Save for the deviation from code provision C.2.1 of the CG Code (as defined below) as disclosed in this annual report, the Company had complied with all the applicable code provisions as set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the GEM Listing Rules (the "**CG Code**") during FY2025.

Details of the principal corporate governance practices of our Group are set out in the section headed "Corporate Governance Report" on pages 25 to 39 of this annual report.

The compliance officer of the Company is Mr. Tang Ming Hei whose biographical details are set out on page 9 of this annual report.

TAX RELIEF

Our Company is not aware of any relief on taxation available to the shareholders by reason of their holdings of the Shares. If the shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three members, all being independent non-executive Directors, namely Mr. Wu Kin San Alfred (chairman of the Audit Committee), Mr. Kwan Woon Man Boris and Mr. Yeung Chi Fai. It has reviewed with the management the accounting principles and practices adopted by our Group and discussed the auditing, internal control and financial reporting matters, including review of the audited consolidated financial statements of our Group for FY2025.

INDEPENDENT AUDITOR

The consolidated financial statements for the year ended 31 March 2025 were audited by Baker Tilly Hong Kong Limited, who will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-appointment. A resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

There has been no change in auditors of the Company in the preceding three years.

On behalf of the Board

Tang Hing Keung
Hing Ming Holdings Limited
Chairman and Chief Executive Officer

Hong Kong, 20 June 2025

Our Company is committed to fulfilling its responsibilities to its shareholders (the "**Shareholders**") and protecting and enhancing Shareholders' values through good corporate governance.

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of our Group so as to achieve effective accountability.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted and, save for the deviation from code provision C.2.1 of the CG Code as disclosed in this annual report, has complied with all applicable code provisions as set out in Part 2 of the CG Code during FY2025.

SECURITIES TRANSACTIONS BY DIRECTORS

Our Company has adopted the required standard of dealings in the securities (the "**Required Standard of Dealings**") as contained in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct governing the securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the Required Standard of Dealings during FY2025.

BOARD OF DIRECTORS

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF OUR BOARD

Our Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of our Group. Our Board sets our Group's values and standards and ensures that the requisite financial and human resources support is in place for our Group to achieve its objectives. The functions performed by our Board include but are not limited to formulating our Group's business plans and strategies, deciding all significant financial (including major capital expenditure) and operational issues, developing, monitoring and reviewing our Group's corporate governance practices and all other functions reserved to our Board under the Articles of Association. Our Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference which are published on the respective websites of the Stock Exchange and the Company. The responsibilities of these Board committees include monitoring our Group's operational and financial performance, and ensuring that appropriate internal control and risk management systems are in place. Our Board may from time to time delegate certain functions to the management of our Group if and when considered appropriate. The management is mainly responsible for the execution of the business plans, strategies and policies adopted by our Board and assigned to it from time to time.

The Directors have full access to information of our Group and the management has an obligation to supply the Directors with adequate information in a timely manner to enable the Directors to perform their responsibilities. The Directors are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

COMPOSITION

The Company is committed to maintaining a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors (the "**INEDs**") so that there is a strong independent element on our Board, enabling our Board to exercise effective independent judgement.

As at the date of this annual report, our Board comprises the following seven Directors, of which the non-executive Directors and the INEDs in aggregate represent over 70.0% of our Board members:

EXECUTIVE DIRECTORS

Mr. Tang Hing Keung *(Chairman and Chief Executive Officer)*
Mr. Tang Ming Hei

NON-EXECUTIVE DIRECTORS

Ms. Au Fung Yee
Mr. Au Lop Wah Edmond

INEDS

Mr. Kwan Woon Man Boris
Mr. Yeung Chi Fai
Mr. Wu Kin San Alfred

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

The family relationship among the executive Directors and the non-executive Directors is as follows:

	Relationship with			
Name of Directors	**Mr. Tang Hing Keung**	**Mr. Tang Ming Hei**	**Ms. Au Fung Yee**	**Mr. Au Lop Wah Edmond**
Executive Directors				
Mr. Tang Hing Keung	–	Father	Husband	Brother-in-law
Mr. Tang Ming Hei	Son	–	Son	Nephew
Non-executive Directors				
Ms. Au Fung Yee	Wife	Mother	–	Younger sister
Mr. Au Lop Wah Edmond	Brother-in-law	Uncle	Elder brother	–

Save as disclosed aforesaid, there was no financial, business, family or other material/relevant relationship among the Directors during FY2025 and up to the date of this annual report.

The INEDs have brought in a wide range of business and financial expertise, experience and independent judgement to our Board. Through active participation in our Board meetings and serving on various Board committees, all INEDs will continue to make various contributions to the Company.

Throughout FY2025, the Company had at least three INEDs, meeting the requirements set out in Rules 5.05 and 5.05A of the GEM Listing Rules that the number of INEDs must represent at least one-third of our Board members, and that at least one of the INEDs must have appropriate professional qualifications or accounting or related financial management expertise.

The Company has received an annual confirmation of independence in writing from each of the INEDs pursuant to Rule 5.09 of the GEM Listing Rules. Based on such confirmation, the Company considers that all the INEDs are independent and have met the independence guidelines as set out in Rule 5.09 of the GEM Listing Rules during FY2025 and up to the date of this annual report.

DIRECTORS' INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

Each of the Directors has received a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has a proper understanding of our Company's operations and business and is fully aware of his/her director's responsibilities under statute and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company's business and governance policies. Each of the Directors named under the paragraph headed "Composition" above attended the training seminar arranged by the Company's Hong Kong legal advisers on directors' responsibilities before their appointments.

The Company will from time to time fund and arrange suitable training to all Directors to develop and refresh their knowledge and skills in relation to their duties and responsibilities, such that their contribution to our Board remains informed and relevant. All Directors are also encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records. According to the training records maintained by the Company, the continuing professional development programmes received by each of the Directors in FY2025 is summarised as follows:

Name of Directors	Type of trainings
Mr. Tang Hing Keung	A and B
Mr. Tang Ming Hei	A and B
Ms. Au Fung Yee	A and B
Mr. Au Lop Wah Edmond	A and B
Mr. Kwan Woon Man Boris	A and B
Mr. Yeung Chi Fai	A and B
Mr. Wu Kin San Alfred	A and B

A: attending training sessions, including but not limited to, seminars, briefings, conferences, forums and workshops

B: reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

DIRECTORS' AND OFFICERS' LIABILITIES

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

BOARD MEETINGS

The Directors can attend Board meetings in person or through other means of electronic communication in accordance with the Articles of Association. Our Board is scheduled to meet four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice will be given in a reasonable time in advance. The Directors are allowed to include any matter in the agenda that is required for discussion and resolution at the Board meeting. To enable the Directors to be properly briefed on issues arising at each of our Board meetings and to make informed decisions, an agenda and the accompanying Board papers will be sent to all Directors at least three days before the intended date of the Board meeting, or such other period as agreed. The company secretary of the Company (the "**Company Secretary**") is responsible for recording and keeping all Board meetings' minutes. Draft and final versions of the Board meetings' minutes will be circulated to all Directors for their comments and records respectively within a reasonable time after each Board meeting and the final version is open for the Directors' inspection.

During FY2025, three Board meetings were held. The attendance of the respective Directors at the Board meetings during FY2025 are set out below:

Name of Directors	Attendance/ Number of meetings
Executive Directors	
Mr. Tang Hing Keung	3/3
Mr. Tang Ming Hei	3/3
Non-executive Directors	
Ms. Au Fung Yee	3/3
Mr. Au Lop Wah Edmond	3/3
Independent Non-executive Directors	
Mr. Kwan Woon Man Boris	3/3
Mr. Yeung Chi Fai	3/3
Mr. Wu Kin San Alfred	3/3

Apart from the above Board meetings, the chairman of our Board (the "**Chairman**"), being the chief executive officer of the Company (the "**Chief Executive Officer**"), held a meeting with all the INEDs without the presence of the other Directors during FY2025.

On 20 June 2025, the Board held a meeting to consider and approve, amongst other matters, the consolidated financial statements of the Group for FY2025 (the "**Consolidated Financial Statements**").

BOARD DIVERSITY POLICY

During FY2025, our Board has reviewed the Board diversity policy which sets out all measurable objectives to achieve and maintain diversity on our Board to enhance effectiveness of our Board.

The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that our Board has a balance of skills, experiences and varying perspectives appropriate for the Company's business. The Nomination Committee has primary responsibility for identifying suitably qualified candidates to become members of the Board and shall give adequate consideration to the Board diversity policy in selection of Board candidates. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of our Board members. 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, our Directors comprised six males and one female with diverse age and background and experience in different industries, such as construction, engineering, legal, accounting and corporate finance industries. Our Board considers that our Group achieved the Board diversity policy during FY2025. The Company targets to avoid a single gender in the Board and will timely review the gender diversity of the Board in accordance with the business development of the Group. The Nomination Committee will deploy multiple channels to identify suitable candidates as Directors, including referral from Directors, shareholders, management, advisors of the Company and external agents as and when appropriate such that a robust pipeline of female successors to the Board can be established in the near future.

As at 31 March 2025, the Company had 32 employees, 30 of which (i.e. approximately 94%) are male and 2 of which (i.e. approximately 6%) are female. Due to the nature of the industry in which the Group operates, traditionally, the industry has been in short of female talents. The Group targets to avoid a single gender workforce and will continue to take opportunities to increase the proportion of female workforce over time as and when suitable female candidates are identified.

CHAIRMAN AND CHIEF EXECUTIVE

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Tang Hing Keung is the Chairman and the Chief Executive Officer. In view of the fact that Mr. Tang Hing Keung is one of the co-founders of our Group and has been operating and managing our Group since its establishment in 1997, all the other Directors believe that the vesting of the roles of Chairman and Chief Executive Officer in Mr. Tang Hing Keung is beneficial to the business operations and management of our Group and will provide a strong and consistent leadership to our Group. Mr. Tang Hing Keung provides leadership to the Company and is responsible for strategic planning and the overall management and supervision of operations of our Group. As all major decisions are made in consultation with the members of the Board, and there are three INEDs on the Board offering independent advices, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authority within the Board. Accordingly, the Company has not segregated the roles of the Chairman and the Chief Executive Officer as required by the said code provision. The Board will continue to review and monitor the practices of our Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of our Company.

BOARD COMMITTEES

Our Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee particular aspects of the Company's affairs. Our Board committees are provided with sufficient resources to discharge their duties.

The written terms of reference for our Board committees are posted on the respective websites of the Stock Exchange and the Company.

AUDIT COMMITTEE

The Audit Committee was established on 23 February 2017 with written terms of reference in compliance with code provision D.3.3 of the CG Code and Rules 5.28 to 5.33 of the GEM Listing Rules. During FY2025, it comprised the following INEDs:

Mr. Wu Kin San Alfred *(Chairman)*
Mr. Kwan Woon Man Boris
Mr. Yeung Chi Fai

The principal roles and functions of the Audit Committee include but are not limited to:

- making recommendations to our Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors, and handling any questions regarding their resignation or dismissal;
- reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and discussing with the external auditors on the nature and scope of the audit and reporting obligations before the audit commences;
- developing and implementing a policy on engaging external auditors to supply non-audit services and reporting to our Board, and identifying and making recommendations on any matters where action or improvement is needed;
- monitoring the integrity of the Company's financial statements and annual report and accounts, interim report and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained in them;
- reviewing the Company's financial controls, and risk management and internal control systems;
- discussing the risk management and internal control systems with the management to ensure that the management has performed its duty to have such effective systems;
- considering major investigation findings on risk management and internal control matters as delegated by our Board or on its own initiative and management's response to these findings;
- where an internal audit function exists, ensuring co-ordination between the internal and external auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;
- reviewing our Group's financial and accounting policies and practices;
- reviewing the external auditors' management letter, any material queries raised by the auditors to management about the accounting records, financial accounts or systems of control and management's response;
- ensuring that our Board will provide a timely response to the issues raised in the external auditors' management letters;
- to report to the Board on the matters in code provision D.3.3 of the CG Code; and
- considering other topics as defined by our Board.

The Audit Committee held two meetings during FY2025 whereat the Audit Committee, among other matters, reviewed the Group's annual consolidated financial statements, interim and quarterly reports; discussed the risk management and internal control of the Group; reviewed the effectiveness of the Company's internal audit function; met with the independent external auditors and reviewed report from the independent external auditors regarding their audit on the Group's annual consolidated financial statements. Details of the attendance of members of the Audit Committee meetings during FY2025 are as follows:

Name of Members	Number of attendance/ Number of meetings
Mr. Wu Kin San Alfred	2/2
Mr. Kwan Woon Man Boris	2/2
Mr. Yeung Chi Fai	2/2

On 20 June 2025, the Audit Committee held a meeting to, amongst others, review the Consolidated Financial Statements and recommend the same to be presented to the Board for consideration and approval.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 23 February 2017 with written terms of reference in compliance with code provision E.1.2 of the CG Code and Rules 5.34 to 5.36 of the GEM Listing Rules. During FY2025, the Remuneration Committee comprised the following INEDs:

Mr. Kwan Woon Man Boris *(Chairman)*
Mr. Yeung Chi Fai
Mr. Wu Kin San Alfred

The principal roles and functions of the Remuneration Committee include but are not limited to:

- making recommendations to our Board on the Company's policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;

- reviewing and approving the management's remuneration proposals with reference to our Board's corporate goals and objectives;

- making recommendations to our Board on the remuneration packages of individual executive Directors and senior management including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, the model under code provision E.1.2(c)(ii) of the CG Code has been adopted;

- making recommendations to our Board on the remuneration of the non-executive Directors;

- considering the salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in our Group;

- reviewing and approving the compensation payable to the executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with the contractual terms and is otherwise fair and not excessive;
- reviewing and approving the compensation arrangements relating to the dismissal or removal of Directors for misconduct to ensure that they are consistent with the contractual terms and are otherwise reasonable and appropriate;
- ensuring that no Director or any of their associates (as defined in the GEM Listing Rules) is involved in deciding that Director's own remuneration; and
- to review and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules.

During FY2025, the Remuneration Committee held a meeting for, among other matters, determining the policy for the remuneration of executive Directors, reviewing and making recommendations to our Board for considering certain remuneration-related matters of the Directors and senior management and assessing the performance of executive Directors and the terms of their service contracts.

During FY2025, there were no material matters relating to the Share Option Scheme which required review or approval by the Remuneration Committee.

The attendance of each INED at the Remuneration Committee meetings during FY2025 is as follows:

Name of INEDs	**Number of attendance/ Number of meetings**
Mr. Kwan Woon Man Boris	1/1
Mr. Yeung Chi Fai	1/1
Mr. Wu Kin San Alfred	1/1

On 20 June 2025, the Remuneration Committee held a meeting to, amongst others, consider certain remuneration-related matters of the Directors and senior management.

NOMINATION COMMITTEE

The Nomination Committee was established on 23 February 2017 with written terms of reference in compliance with code provision B.3.1 of the CG Code. During FY2025, the Nomination Committee comprised the following INEDs:

Mr. Kwan Woon Man Boris *(Chairman)*
Mr. Yeung Chi Fai
Mr. Wu Kin San Alfred

The principal roles and functions of the Nomination Committee include but are not limited to:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and making recommendations on any proposed changes to our Board to complement the Company's corporate strategy, with due regard to the Company's board diversity policy;
- identifying individuals suitably qualified to become members of our Board and selecting or making recommendations to our Board on the selection of individuals nominated for directorships;
- assessing the independence of the INEDs;
- making recommendations to our Board on the appointment or re-appointment of the Directors and the succession planning for the Directors, in particular, the Chairman and the Chief Executive Officer; and
- reviewing the Company's board diversity policy, as appropriate, and reviewing the measurable objectives that the Board has set for implementing the Company's board diversity policy.

During FY2025, the Nomination Committee held a meeting for, among other matters, reviewing the structure, size and composition of our Board, assessing the independence of the INEDs and making recommendations to our Board for considering the re-appointment of the retiring Directors at the 2024 AGM.

The attendance of each INED at the Nomination Committee meeting during FY2025 is as follows:

Name of INEDs	Number of attendance/ Number of meetings
Mr. Kwan Woon Man Boris	1/1
Mr. Yeung Chi Fai	1/1
Mr. Wu Kin San Alfred	1/1

On 20 June 2025, the Nomination Committee held a meeting to, amongst others, assess the independence of the INEDs and make recommendations to our Board for considering the re-appointment of the retiring Directors at the forthcoming AGM.

CORPORATE GOVERNANCE FUNCTIONS

Our Board is responsible for performing the corporate governance functions as set out in code provision A.2.1 of the CG Code, which include:

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

NOMINATION PROCEDURES, PROCESS AND CRITERIA

The Nomination Committee leads the process and makes recommendations to the Board for re-election and appointment of Directors, whether as additional appointment or to fill up the casual vacancy of directorship as and when they arise, in light of the challenges and opportunities faced by the Group, as well as the business development and requirements of the Group. In evaluating and selecting candidate(s) for directorship, the Nomination Committee considers the merit and contribution that the candidate(s) will bring to the Board, having due regard to the election criteria set out in the Nomination Policy which include, inter alia, the character and integrity; the accomplishment and experience; the commitment in respect of available time and relevant interest; the cultural and educational background, the gender, qualification, ethnicity, professional experience, skills, knowledge and length of service; the benefits of diversity on the existing Board as well as the independence of the candidate(s) (for INEDs). The Nomination Committee makes recommendation to the Board to appoint the appropriate person(s) among the candidates nominated for directorship(s). Suitable candidate(s) shall be appointed by the Board in accordance with the Articles of Association and the GEM Listing Rules.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has entered into a service contract with the Company for an initial fixed term of three years commencing on the Listing Date or if later, the relevant appointment/renewal date, which is automatically renewable for successive terms of three years upon expiry and may be terminated in accordance with the provisions of the service contract or by giving not less than three months' prior written notice.

Each of the non-executive Directors and the INEDs has entered into a letter of appointment with the Company for an initial fixed term of three years commencing on the Listing Date or if later, the relevant appointment/renewal date, which is automatically renewable for successive terms of three years upon expiry and may be terminated in accordance with the provisions of the letter of appointment or (i) by not less than one month's notice in writing served by the relevant Director; or (ii) forthwith by the Company by notice in writing.

Save as disclosed aforesaid, none of the Directors has a service contract or letter of appointment with the Company or any of its subsidiaries other than the contracts/letters of appointment expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

Principle B.2 of the CG Code stipulates that there should be a formal, considered and transparent procedure for the appointment of new Directors, and all Directors should be subject to re-election at regular intervals. All the Directors, including INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association. At each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, 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 at the AGM at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he/she retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and does not offer himself/herself for re-election. Any further Directors so to retire shall be those who have been the longest in office since their last re-election or appointment and so that as between the persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Any Director appointed by our Board to fill a casual vacancy on or as an addition to the existing Board shall hold office only until the first AGM following his/her appointment and shall then be eligible for re-election. Such Director shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

By virtue of Articles 83 and 84 of the Articles of Association, Mr. Tang Ming Hei, Ms. Au Fung Yee and Mr. Kwan Woon Man Boris will retire at the forthcoming AGM and, being eligible, will offer themselves for re-election.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for FY2025 are set out in note 7 to the Consolidated Financial Statements.

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skills, knowledge, roles and responsibilities in the Group. The remuneration packages of executive Directors are determined with reference to his roles and duties, qualifications, industry experience and responsibilities as well as the prevailing market conditions and are subject to updates in future by the decision of the Board with recommendation from the Remuneration Committee. The remuneration for the non-executive Directors (including INEDs) mainly comprises Director's fee which is determined with reference to his/her duties and responsibilities.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the member of the senior management (other than the Directors) whose particulars are contained in the section headed "Directors and Senior Management" of this annual report for FY2025 by band is set out below:

Remuneration band (in HK$)	Number of individuals
Nil to 1,000,000	2

INDEPENDENT AUDITOR'S REMUNERATION

For FY2025, Baker Tilly Hong Kong Limited ("**Baker Tilly**") was engaged as our Group's independent auditor to provide annual audit services.

The remuneration paid/payable to Baker Tilly for FY2025 is set out below:

Services	Fee paid/payable HK$
Audit services — Annual audit	562,000
Non-audit services — Tax services	38,300
Total	600,300

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the Consolidated Financial Statements.

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

In addition, Baker Tilly has stated in the independent auditor's report its reporting responsibilities on the Consolidated Financial Statements.

RISK MANAGEMENT AND INTERNAL CONTROL

Our Board acknowledges its responsibility for the risk management and internal control systems of the Group and reviewing their effectiveness. Our Board is responsible for evaluating and determining the nature and extent of the risks the Company is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. Our Board oversees management in the design, implementation and monitoring of the risk management and internal control systems. The main features of the risk management and internal control systems include (i) the identification of potential risks; (ii) the assessment and evaluation of risks; (iii) the development and continuous updating of mitigation measures; and (iv) the ongoing review of internal control procedures to ensure their effectiveness in respect of the Group's financial, operational, compliance controls and risk management functions. Our Board acknowledges that such 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 but not absolute assurance against material misstatement or loss. Internal audit function of the Company has been carried out under the leadership of our Board and the Audit Committee.

The Group has developed and adopted a risk management process to identify, evaluate and manage significant risks. The Group regularly and at least annually conducts internal control assessment to identify the risks that may potentially affect the Group's business and operations. The Board will perform risk assessment by prioritising the risks identified to determine those key risks that the Group is exposed to and discuss mitigation measures. Besides, existing risk mitigation measures are subject to regular monitoring and review by the management of the Company, which will review the Group's risk management strategies, report such results and make appropriate suggestions to the Board. The management regularly reports to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems. Material internal control defects, if identified, are reported to the Audit Committee and the Board on a timely basis to ensure that prompt remediation and subsequent actions are taken to improve the situations.

Our Board, through the Audit Committee, conducted a review of the effectiveness of the risk management and internal control systems of our Group for FY2025 covering all material controls, including financial, operational and compliance as well as risk management. Our Board considers that our Group's risk management and internal control systems are adequate and effective.

DISCLOSURE OF INSIDE INFORMATION

Our Group acknowledges its responsibilities under the SFO and the GEM Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- our Group conducts its affairs with close regard to the disclosure requirement under the GEM Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;

- our Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and the Company's website;

- our Group has strictly prohibited unauthorised use of confidential or inside information; and

- our Group has established and implemented procedures for responding to external enquiries about our Group's affairs, so that only the executive Directors, the Company Secretary and the financial controller of the Company are authorised to communicate with parties outside our Group.

COMPANY SECRETARY

Mr. Yu Tsz Ngo was appointed as the company secretary of the Company on 1 September 2021. He is a member of the Certified Public Accountants Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants. As he is the external service provider to the Group, his primary corporate contact person at the Company is Mr. Tang Ming Hei, an executive Director and the compliance officer of the Company. Mr. Yu Tsz Ngo has taken no less than 15 hours of relevant professional training for the year ended 31 March 2025 in compliance with Rule 5.15 of the GEM Listing Rules.

DIVIDEND POLICY

The Company does not have any pre-determined dividend distribution ratio. In determining the declaration and amount of dividend, the Board takes into account, among other things, the Group's earning performance, financial condition, cash flow situation and capital requirements, the availability of funds to meet the financial covenants of the Group's bank loans and any other factors that the Directors may consider relevant.

2024 AGM

The 2024 AGM was held on 26 August 2024. The Company announced the poll results of the 2024 AGM in the manner prescribed under the GEM Listing Rules. The respective chairman of the Board and the Nomination Committee has attended the AGM held on 26 August 2024 to ensure effective communication with the Shareholders. The attendance record of the Directors at the 2024 AGM is set out below:

Name of Directors	Number of general meeting attended/held
Executive Directors	
Mr. Tang Hing Keung	1/1
Mr. Tang Ming Hei	1/1
Non-executive Directors	
Ms. Au Fung Yee	1/1
Mr. Au Lop Wah Edmond	1/1
Independent Non-executive Directors	
Mr. Kwan Woon Man Boris	1/1
Mr. Yeung Chi Fai	1/1
Mr. Wu Kin San Alfred	1/1

SHAREHOLDERS' RIGHTS

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

There are no provisions allowing the Shareholders to make proposals or move resolutions at the AGMs under the M&A or the laws of the Cayman Islands. Shareholders who wish to make proposals or move a resolution may, however, convene an extraordinary general meeting (the "**EGM**") in accordance with the "Procedures for Shareholders to Convene an EGM" set out below.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EGM

According to Article 58 of the Articles of Association, any one or more Shareholders holding at the date of deposit of the requisition not less than 10% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, in the share capital of the Company, (the "**Eligible Shareholder(s)**") shall at all times have the right, by written requisition to require an EGM to be called by our Board for the transaction of any business specified in such requisition and the Eligible Shareholders shall be able to add resolutions to the meeting agenda.

Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned at the principal place of business of the Company in Hong Kong (presently Room A4, 2/F., Tsim Sha Tsui Mansion, 83–87 Nathan Road, Kowloon, Hong Kong) for the attention of the Company Secretary.

The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM and the proposed agenda.

The Company will check the Requisition and the identity and shareholding of the Eligible Shareholder(s) will be verified with the Company's branch share registrar in Hong Kong. If the Requisition is found to be proper and in order, the Company Secretary will ask our Board to convene an EGM and/or include the proposal(s) made or the resolution(s) proposed by the Eligible Shareholder(s) at the EGM within two months after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of the outcome and accordingly, our Board will not call for an EGM nor include the proposal(s) made or the resolution(s) proposed by the Eligible Shareholder(s) at the EGM.

If within 21 days of the deposit of the Requisition our Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of our Board shall be reimbursed to the Eligible Shareholder(s) by the Company.

PROCEDURES FOR SHAREHOLDERS TO SEND ENQUIRES TO OUR BOARD

Shareholders may send written enquiries to the Company for the attention of the Company Secretary at the Company's head office and principal place of business in Hong Kong.

Upon receipt of the enquiries, the Company Secretary will forward the communications relating to:

1. the matters within our Board's purview to the executive Directors;

2. the matters within a Board committee's area of responsibility to the chairman of the appropriate committee; and

3. ordinary business matters, such as suggestions, enquiries and client complaints to the appropriate management of the Company.

COMMUNICATION WITH THE SHAREHOLDERS

The Company has adopted a Shareholders' communication policy with the objective of ensuring that the Shareholders will have equal and timely access to 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.

Information will be communicated to the Shareholders through the Company's financial reports, AGMs and other EGMs that may be convened as well as all the published disclosures submitted to the Stock Exchange. Representatives of the Company present at the general meetings of the Company will respond to queries and/or views from the Shareholders.

The Board has reviewed the implementation and effectiveness of the Shareholders' communication policy of the Company for FY2025, and is of the view that, through the various communication channels including but not limited to (a) holding of AGMs and EGMs (if any); (b) timely dissemination of information on the Stock Exchange's website and (c) various manners to put forward enquiries to the Board as set out above, the Shareholders' communication policy had been properly and effectively implemented during FY2025.

CONSTITUTIONAL DOCUMENTS

There were no changes in the constitutional documents of the Company during FY2025.

INTRODUCTION

SCOPE

This report was approved by the board of directors (the "**Board**") of Hing Ming Holdings Limited (the "**Company**") and aims to provide a balanced representation of the efforts made by the Company and its subsidiaries (the "**Group**") on corporate social responsibility and covers its operations in the business of provision of rental services of construction equipment, mainly including tower cranes and generators; and the trading of equipment and spare parts for the year ended 31 March 2025 (the "**Year**"). There are no significant changes in the scope of this report from that of ESG report for the year ended 31 March 2024.

REPORTING FRAMEWORK

This report is prepared in accordance with the Environmental, Social and Governance ("**ESG**") Reporting Guide as set out in Appendix C2 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

GOVERNANCE OF ESG MATTERS

To demonstrate our commitment to transparency and accountability, the Group verified on the efficacy of ESG risk management and internal control systems and has established an ESG working group, which has clear terms of reference that set out the powers delegated to it by the Board. The Board assumes full responsibility for the Group's ESG matters, and is responsible for reviewing ESG-related matters on a regular basis, identifying and assessing related risks, and ensuring that the Group has established appropriate and effective ESG risk management and internal control systems. In addition, the Board regularly reviews the performance of the Group against ESG-related targets by comparing ESG-related data against those in the previous reporting period and reviews and approves the disclosures in ESG reports.

The ESG working group is responsible for formulating relevant ESG policies and management procedures in line with the framework and objectives set out by the Board and implementing daily ESG work across our business operation, including evaluating the stakeholders' needs and expectations with timely response, identifying ESG-related risks and opportunities pertaining to the business operations, monitoring the environmental and social performance in our departmental units and reporting status of the Group's ESG related matters to the Board on a regular basis.

REPORTING PRINCIPLES

This report follows the ESG Reporting Guide and applies the following principles:

Reporting principles	Application in this report
Materiality	The Group's stakeholders are engaged in the identification of ESG issues that matter most from their perspectives. The Group assessed the materiality of those ESG issues based on the corresponding risks posed on the sustainability on the Group's businesses. Material ESG issues were identified and prioritized and are disclosed in this report.
Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption, where applicable, are disclosed in the respective sections in this report.
Consistency	Unless stated otherwise, the Group applies consistent methodology in compiling the ESG data reported to ensure meaningful comparison of ESG performance over time and between entities. Any change in methods or KPIs used is explained.

CORPORATE SOCIAL RESPONSIBILITY VISION, POLICY AND STRATEGY

The Group views corporate social responsibility ("**CSR**") as a business philosophy that creates sustainable value for shareholders by embracing opportunities and managing risks deriving from economic, environmental and social developments. The Group also believes that the ability to identify, assess and manage ESG considerations in our business activities is vital to creating intrinsic value to the Group in the long run. Hence, ESG considerations are an integral part of our CSR objectives and the Group has adopted CSR Policy in respect of the environmental, social and governance dimensions that aims to integrate CSR seamlessly into the Group's business strategies and management approach.

The Group's CSR Policy describes our long-term approach to specific issues in the four cornerstones: Marketplace, Workplace, Community and Environment, which is instrumental in enabling our business to operate in a sustainable manner. Within each of the cornerstones, core principles and pragmatic objectives provide guidance on practicing CSR in our daily operations.

ENVIRONMENTAL AND SOCIAL SUBJECT AREAS

Strategies

Environmental and social responsibilities are viewed as the Group's core commitment to environment, internal workplace, and external community, and an integral part of the Group's practice to create value for stakeholders. Our strategy is to fulfil the Group's environmental and social responsibilities through achieving environmental and social objectives during daily operations.

Objectives

We integrate environmental and social considerations into the Group's business objectives to achieve:

Environmental objectives:

- Add environmentally friendly elements to our daily service and operation activities;
- Reduce greenhouse gas emissions;
- Use energy and resources efficiently; and
- Continuously improve waste management

Social objectives:

- Respect employees' rights and promote an equal opportunity workplace;
- Commit to occupational safety and health, and provide a safe and healthy workplace;
- Commit to ethical business practices, and build integrity within the workplace; and
- Promote community participation

Approach

Monitored by the Board, the Group is executing its environmental and social strategy and achieving its related objectives through a series of actions and commitments:

- Embed environmental and social objectives into business processes including decision making process;
- Establish and document environmental and social policies for management and staff members to follow;
- Comply with environmental and social laws and regulations;
- Report our performance on a balanced picture;
- Disclose KPIs as measurement of actual results;
- Ensure appropriate and effective ESG risk management and internal control systems are in place; and
- Practise corporate citizenship in things we do

Environmental and social management system comprises:

- The direction from the Board to fulfil the ESG responsibilities;
- Daily execution of environmental and social strategy and achieving its objectives by management;
- Performance and achievements done by employees in accordance with the Group's environmental and social policies;
- Compliance with environmental and social laws and regulations;
- Review and monitoring of ESG risks management and internal control systems by the Board; and
- Reporting and disclosure of our performance and KPIs

Measures for the achievement of environmental and social objectives are:

- Environmental policies;
- Social policies;
- Checklists for the compliance with applicable environmental and social laws and regulations;
- Requiring documentation for the performance and accomplishment of environmental and social related activities or matters; and
- Data collection, calculation, and disclosure of KPIs

The implementation of environmental and social strategies, management of environmental activities, and measurement of achieving environmental and social objectives are monitored by dedicated managerial staff members and finally by the Board for its overall ESG responsibility.

SUSTAINABLE DEVELOPMENT

Aspiring to persist as the leading temporary suspended working platform rental service provider in Hong Kong, the Group strives to operate its business in an economic, social and environmentally sustainable manner. Continuously resolute in providing good quality products and outstanding services, the Group firmly recognizes the importance of balancing its business objectives with the stewardship of natural environment, the need to meet market demand for resources, and the need to build a more prosperous and sustainable society.

STAKEHOLDERS ENGAGEMENT AND MATERIALITY

In order to create sustainable growth and long-term value for its stakeholders, who comprise the Group's employees, investors, customers and the wider community, the Group endeavors to address their expectations and concerns through regular communication. The Group continues to involve stakeholders on an ongoing basis to understand their views and collect their expectations and concerns regarding significant ESG related matters of the Group's businesses, which are evaluated, prioritized and incorporated into our ESG strategy, including the setting of practicable ESG targets. Our communication channels with our stakeholders include company website, annual general meeting, business meetings and staff meetings. Based on the stakeholders' feedback, the material environmental and social issues were identified as follows:

- Employee welfare;
- Environmental compliance;
- Greenhouse gas emissions;
- Occupational health and safety;
- Labour standard;
- Training and development;
- Product quality; and
- Supply chain management

ENVIRONMENTAL

The Group integrates considerations of environmental preservation into its business and is dedicated to continuously improving environmental performance in conformity with all applicable laws and regulations in Hong Kong.

EMISSIONS

The Group's business predominantly focuses on rental services with respect to temporary suspended working platforms and other equipment and trading services with respect to equipment and spare parts including permanent suspended working platforms, motors and wire rope.

Being a responsible rental services provider, the Group strives to implement every possible measure to conserve energy in its business through increasing the energy efficiency of machineries and equipment sold or leased by the Group. As such, the Group strictly adheres to the Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Chapter 311Z of the Laws of Hong Kong) when applicable, which regulates the emissions of non-road mobile machinery including suspended working platforms. Also, the Group ensures that machineries sold or leased are approved with the Non-Road Mobile Machinery (NRMM) label issued by the Environmental Protection Department of Hong Kong, when applicable.

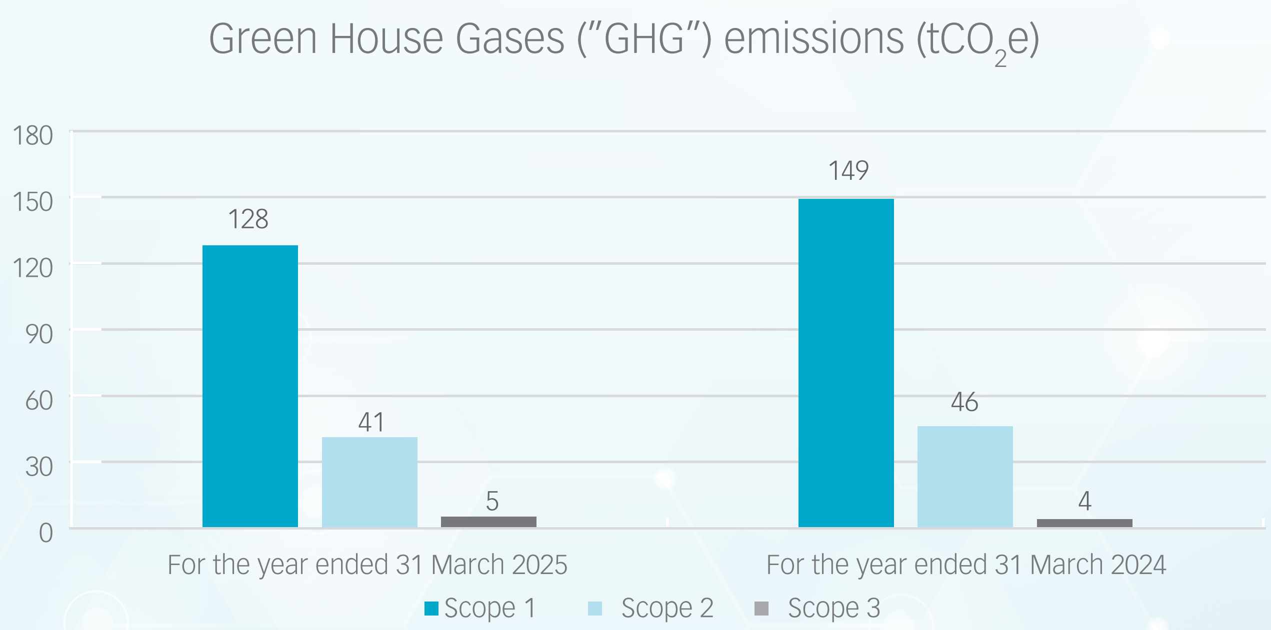
Air and Greenhouse Gas Emissions

Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

— *Air and Greenhouse Gas Emissions from Production*
  In view of the Group's business nature, there were no air and greenhouse gas emissions from production.

— *Air and Greenhouse Gas Emissions from Vehicles*
  The Group believes that green transportation brings benefits, which include reduction of transportation costs and reduction of energy consumption and pollution. As such, the Group encourages optimising transportation routes, high filling rate or carpooling and proper tire pressure to achieve efficiency. The Group reminds employees to consider environmental impact in their commuting decisions to reduce air and greenhouse emissions.

An overview of carbon footprint for the Group's operations in Hong Kong is summarised as follows:



Overview of carbon footprint for Hong Kong operations

GHG emissions	For the year ended 31 March **2025** **tCO_2e**	 2024 tCO_2e	**Variance** **Increase/** **(decrease)**
Scope 1: Direct emissions[2]			
— Carbon dioxide	**128**	149	(21)
Scope 2: Indirect emissions[3]			
— Carbon dioxide	**41**	46	(5)
Scope 3: Other indirect emissions[4]			
— Carbon dioxide	**5**	4	1
Total GHG emissions (Scope 1+2+3)	**174**	199	(25)
GHG emissions intensity[5]			
Per revenue (HK$ million)	**1.6**	1.8	(0.2)

Notes:

1. The above calculation is based on the reference and tools provided by the Environmental Protection Department of Hong Kong. https://www.carbon-footprint.hk.

2. Scope 1 refers to direct GHG emissions such as fuel consumption.

3. Scope 2 refers to indirect GHG emissions from consumption of purchased electricity.

4. Scope 3 refers to other indirect GHG emissions from paper purchased, electricity used for processing fresh water and sewage by government departments and business air travel by employee.

5. GHG emissions intensity is calculated by dividing the total GHG emissions by the Group's revenue. The Group's revenue for the years ended 31 March 2025 and 2024 is approximately HK$106 million and HK$108 million, respectively.

The primary sources of GHG emissions from the Group's trading and rental business are fuel used for its motor vehicles, machineries and equipment and consumption of electricity for its office operations. The Group has directed efforts to monitor and minimize its mobile fuel, stationary fuel and electricity usage in its workplace by the use of energy efficient motor vehicles and office equipment as well as by encouraging its employees to share rides where possible and to keep the indoor temperature within the office at 24 to 26 degrees Celsius. However, the Group's GHG emissions intensity decreased by approximately 11% from approximately 1.8 tCO_2e per HK$1 million of revenue for the year ended 31 March 2024 to approximately 1.6 tCO_2e per HK$1 million of revenue for the Year due to less resources used in business reduction.

The Group will continue to explore and evaluate the possibility of carbon reduction through the use of cleaner source of energy and more efficient use of its transportation capacity, where the situations permit. The Group targets to reduce its GHG emission intensity.

Emissions from vehicles

	For the year ended 31 March	
	2025	2024
Types of emissions	**(g)**	(g)
NO_X	**19,031**	18,842
SO_2	**456**	760
Particulate Matter ("**PM**")	**1,401**	1,387

Generation of Hazardous Waste and Non-hazardous Waste

The Group is not aware of any hazardous waste generated from its activities during the Year. Non-hazardous waste generated from the Group's activities is minimal. The Group continuously monitors the potential impacts of its activities on the environment.

No non-compliance with the laws and regulations in Hong Kong relating to air and greenhouse gas emission, discharges into water and land, and generation of hazardous and non-hazardous waste that have or may have a significant impact on the Group during the Year was identified.

ENERGY CONSUMPTION

The Group is eminently devoted towards promoting a sustainable working and living environment through continuous emissions reduction and effective use of resources by introducing various guidelines pertaining to the efficient utilization of resources. Details of the Group's total use of resources by category are summarized as follows:

Total use of resources by category

GHG emissions	For the year ended 31 March **2025 (kWh)[1]**	 2024 (kWh)[1]	**Variance Increase/ (decrease)**
Electricity	**65,465**	66,096	(631)
Fuel	**481,818**	517,087	(35,269)
Total energy consumption	**547,283**	583,183	(35,900)
Energy consumption intensity[2]			
Per revenue (HK$ million)	**5,158**	5,400	(242)

GHG emissions	**2025 Sheet (kg)**	2024 Sheet (kg)	**Increase/ (decrease)**
Paper	**53,503 (266)**	56,057 (280)	(2,554) (14)
Paper consumption intensity[3]			
Per employee	**1,672 (8)**	1,602 (8)	70 (–)

Notes:

1. The energy consumption unit is converted to kWh. The conversion rate is based on the reference and tool provided by https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/app2_envirokpis.pdf?la=en.

2. Energy consumption intensity is calculated by dividing the total energy consumption by the Group's revenue.

3. Paper consumption intensity is calculated by dividing the paper consumption by the number of employees. The number of employees as at 31 March 2025 and 2024 is 32 and 35, respectively.

The Group's energy consumption from fuel decreased by approximately 6.8% from approximately 517,087 kWh for the year ended 31 March 2024 to approximately 481,818 kWh for the Year, which accounts for approximately 88% (2024: 89%) of the Group's total energy consumption. The overall energy consumption intensity of the Group decreased by approximately 4.5% from approximately 5,400 kWh per HK$1 million of revenue for the year ended 31 March 2024 to approximately 5,158 kWh per HK$1 million of revenue for the Year.

The Group's paper consumption decreased from 56,057 sheets (280 kg) for the year ended 31 March 2024 to 53,503 sheets (266 kg) for the Year.

The Group targets to reduce its overall energy consumption intensity and paper consumption intensity.

WASTE MANAGEMENT

The Group adopts waste management policy of reduce, reuse, recycle and replace where possible. For example, to reduce waste, the used metal components of temporary suspended working platforms are disposed at a low price or at no cost to recycling companies.

WATER MANAGEMENT AND USE OF PACKAGING MATERIALS

The principal activities of the Group do not involve production, hence water usage and use of packaging material for finished products are minimal. As water is used mainly for domestic purpose at the Group's office, the Group does not have any issue in sourcing water that is fit for such purpose. During the Year, the Group has installed flow controllers on water taps to reduce water consumption.

USE OF RESOURCES

The Group is committed to promoting employees' environmental awareness and optimizing natural resources utilization among the Group. The Group will continue to make every effort to alleviate its environmental impact by properly maintaining vehicles and encouraging environmentally friendly driving behaviours. For example, drivers are encouraged to drive at a reasonable speed to avoid sudden braking, and to switch off engine while waiting. The Group will also continue to promote its guidelines on best practices for efficient use and conservation of resources in the office workplace, which include the use of energy saving lighting, e-statements and duplex print, separation of paper and tins for recycle purpose, as well as video conferencing as a substitute for overseas or cross-border business trips to reduce carbon footprints from flights, trains or other vehicles, where possible. In addition, the Group will continue to promote proper waste management and water saving behaviour under its overall environmental management agenda.

The Group preserves the environment and natural resources indirectly through providing rental services of construction equipment, mainly including tower cranes and generators. Temporary suspended working platforms of the Group act as a substitute for traditional bamboo shed, which can significantly reduce wastes produced by traditional scaffolding. For example, according to the Construction Innovative Environmental Practices issued by the Hong Kong Construction Association, the use of temporary suspended working platforms for installation of a 22-floor high tower lift can prevent 1,200 meters of bamboo from landfill disposal.

CLIMATE CHANGE

The Group has considered the physical risk which include acute risk like increasing heavy rainstorm, wildfire, hot weather; chronic risk including rise in sea level. While the acute risk will post immediate safety issues to our staff, the Group has followed and will continue to follow strictly on the relevant notice and/or guidelines issued by the local government bodies in which we operate to ensure staff safety. The Group will review the existing measures for adverse weather conditions and ensure the safety of the employees. For transitional risk, the Group has considered the policy and legal risk, which the government will impose more laws and regulation on the emissions and energy usage, as we have minimal usage on energy and minimal emissions due to our business nature, the Group considers the risk is relatively low, however, the Group will continue to monitor the potential risks of climate change and its impacts on the Group's operations and customers, and devise and implement preventive and emergency measures accordingly.

SOCIAL

EMPLOYMENT AND LABOUR PRACTICES

Employment

The Group's workforce is its most valuable asset and is the key to its long-term growth and prosperity. The remarkable development of the Group in recent years is a concrete proof of the contribution from its professional and experienced employees. Therefore, the development and maintenance of its human resources through attracting and retaining appropriate and suitable talents have equally profound effect on maintaining competitiveness within the industry and delivering excellent services to clients. For this reason, the Group is committed to providing a healthy, safe, and friendly working environment for all of its employees.

The Group recognizes, rewards and remunerates its employees based on factors such as qualifications and years of experience, with competitive remuneration package, and welfare and benefits included in its comprehensive labour management policies.

The Group firmly believes that a diversified workforce can congregate a mix of talents of different skills, experience and knowledge, which in turn strengthens the Group's competitiveness, supports innovation capability and fulfills contemporary business challenges. The Group respects diversity across all levels by offering equal employment opportunities to all candidates and not differentiating them on the basis of factors, including but not limited to gender, race, age, and religion. The Group has thus formulated and implemented equal opportunity and non-discrimination policies and practices for recruitment and promotion.

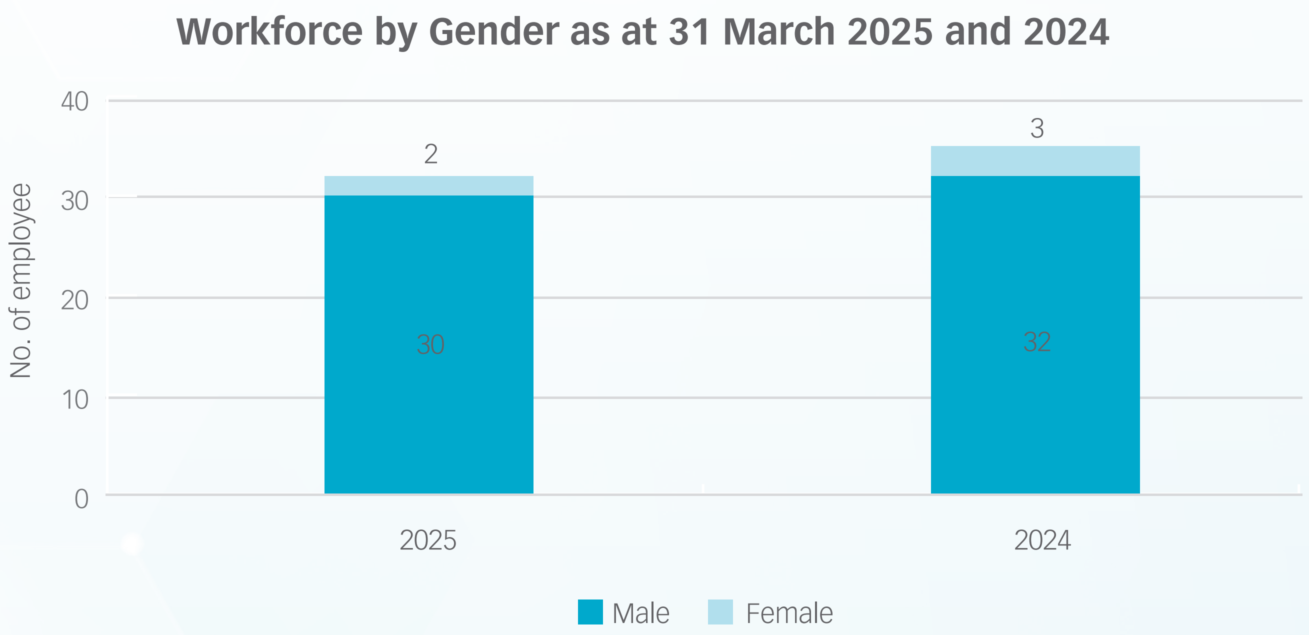
For the Group's long-term success in the industry, the Group has a series of well-established promotion and succession programs to ensure professional knowledge and experience from its existing employees are inherited by its new employees. In addition, ongoing performance reviews and annual appraisal policies are well in place to ensure all employees are provided with equal career development opportunities.

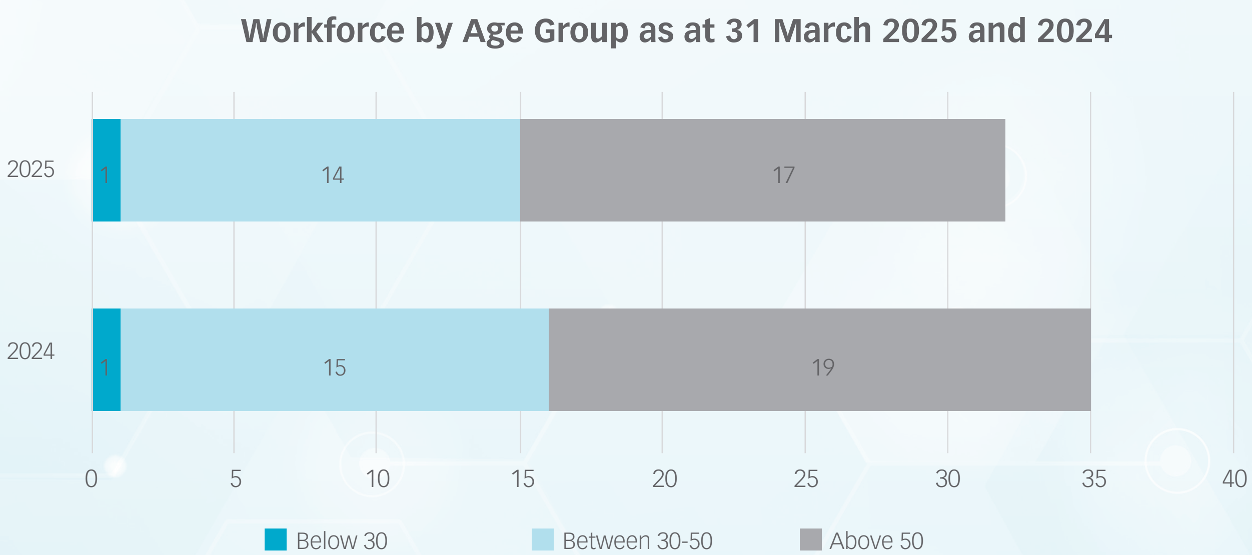
The Group adheres strictly to all laws and regulations in relation to employment such as the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong).

No non-compliance with the laws and regulations in Hong Kong relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have or may have a significant impact on the Group was identified during the Year.

The Group had a total of 32 and 35 employees (excluding non-executive directors and independent non-executive directors of the Company) as at 31 March 2025 and 2024 and the Group's workforce composition as at 31 March 2025 and 2024 are as follows:

	2025	2024
Number of employees		
By gender		
Male	**30**	32
Female	**2**	3
By age group		
Below 30	**1**	1
30 to 50	**14**	15
Above 50	**17**	19
By region		
Hong Kong	**32**	35
By employment contract		
Permanent	**32**	35
Temporary/Part-time	**–**	–


Workforce by Gender as at 31 March 2025 and 2024
No. of employee
40
30
20
10
0
2
30
3
32
2025
2024
Male
Female


Workforce by Age Group as at 31 March 2025 and 2024
2025
1
14
17
2024
1
15
19
0
5
10
15
20
25
30
35
40
Below 30
Between 30-50
Above 50

During the years ended 31 March 2025 and 2024, a total of 2 and 7 employees left the Group respectively, representing total turnover rate of employees of 6.3% and 20.0% for the years ended 31 March 2025 and 2024 respectively. Further employee turnover rates by various categories are shown below:

	2025	2024
Number of employee turnover:		
By gender		
Male	**2**	7
Female	**–**	–
By age group		
Below 30	**–**	–
30 to 50	**2**	4
Above 50	**–**	3
By region		
Hong Kong	**2**	7
Employee turnover rate (%)#		
By gender		
Male	**7%**	20%
Female	**–**	–
By age group		
Below 30	**–**	–
30 to 50	**14%**	27%
Above 50	**–**	16%
By region		
Hong Kong	**6%**	20%

Employee turnover rates are calculated by number of employee turnover during the year in their specified categories over the number of employees as at that year end in their specified categories

Health and Safety

Health and safety are always of paramount importance. Due to the nature of works in construction sites, risks of accidents or injuries are inherent. To minimize occupational accidents and to provide a safe and secure working environment, the Group is highly committed to complying with applicable laws and regulations in the industry such as the Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong), the Construction Sites (Safety) Regulations (Chapter 59I of the Laws of Hong Kong), and the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong).

The Group has strictly complied with the requirements of the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), and has arranged insurance coverage for its employees. The Group believes the current insurance coverage is adequate and consistent with the industry norm, after taking into account the prevailing industry practices and the Group's current operations.

The Group takes every possible measure to attain the goal of zero injury in construction sites. The Group's recent efforts in this regard include:

1. establishing and regularly reviewing safety rules and policies and closely monitoring the implementation of such rules and policies;

2. reviewing reports of major accidents and incidents and using statistics to identify trends and monitor safety performance;

3. reviewing the effectiveness and sufficiency of safety training; and

4. continuously monitoring changes to relevant laws and regulations in Hong Kong and updating codes on safety issues.

The Group is dedicated to implementing sound safety management and thus offers hazard identification trainings to all employees, in which the individuals are trained to determine potential health risks and apply preventive measures to resolve such issues. Also, all necessary safety rules and policies are posted on conspicuous notice boards. Technicians are required to perform routine checks for every platform in use, and to wear safety helmets, footwear, gloves and safety belts when working in platforms and construction sites. All technicians are required to complete safety induction trainings before commencing work.

There were no work-related fatalities in the Group in each of the past three years including this reporting year (2024: nil). The Group had no lost days due to work injury for the years ended 31 March 2025 and 2024.

During the Year, no non-compliance with the laws and regulations in Hong Kong relating to providing a safe working environment and protecting employees from occupational hazards that have or may have a significant impact on the Group was identified.

Development and Training

The Group trusts that the growth of employees remains key to sustaining market leadership. It is imperative to cultivate a learning culture within the Group and to encourage continual education and development in order for its employees to be well-equipped and competent in delivering high quality services and products to customers, and to raise their occupational safety awareness.

New employees are provided with on-board training to familiarize with the culture, business and operation of the Group. Also, for technical positions such as technical support, every newly-hired employee will be provided with pre-job technical training to enhance their professional skills. The Group welcomes every staff to join training programmes according to their respective job duties and positions. The Group's human resources department would review all applications from the staff and assign each staff to the most suitable training and development programme.

During the years ended 31 March 2025 and 2024, a total of 152 manhours and 368 manhours of training were provided to employees of the Group respectively, representing an average of approximately 4.8 hours and approximately 10.5 hours of training per employee as at 31 March 2025 and 2024 respectively. The total number of employees who took part in those trainings were 9 and 11 for the years ended 31 March 2025 and 2024 respectively, representing approximately 28.1% and approximately 31.4% of total employees as at 31 March 2025 and 2024 respectively. Further development and training data by various categories are shown below:

	2025	2024
Total number of hours of training received by employees	**152**	368
Percentage of employees trained#:		
By gender		
Male	**30%**	100%
Female	**–**	–
By employee category		
Senior management	**50%**	9%
Middle management	**25%**	9%
Others	**25%**	82%

\# Percentage of employees trained are calculated by number of employees trained in their specified categories over the total number of employees trained

	2025	2024
Average training hours completed per employee^:		
By gender		
Male	**5**	12
Female	**–**	–
By employee category		
Senior management	**5**	1
Middle management	**10**	3
Others	**4**	16

^ Average training hours are calculated by total number of hours trained during the year in their specified categories over the number of employees as at that year end in their specified categories

During the Year, the Group did not experience any strike or labour dispute which had a material effect on the business of the Group.

Labour Standards

The Group is committed towards the growth and well-being of its employees. The Group's guidelines on staff recruitment and avoidance of unlawful employment policy outlines the Group's obligations as a responsible employer and the procedure necessary to ensure all candidates are treated equally and employment is in compliance with local laws and regulations.

Information such as statement on work hours, pay and performance issues, policies on benefits, trainings, leave and disciplinary procedures and possible sanction are clearly stated on a written employee hand book provided in the national language of the employees.

The Group prohibits any employment which would constitute child labour and forced labour. The Group has implemented employment policies which are in strict adherence with the local employment laws and regulations. All the laws and regulations in Hong Kong pertaining to the prevention of child and forced labour are strictly followed. Prior to any confirmation of employment of the Group, our human resources department will require job applicants to provide valid identity documents to verify that the applicants are lawfully employable and ensure full compliance with relevant laws and regulations that prohibit child and forced labour. If any violations were to be detected, the Group would immediately cease any labour activities. Any false documents would be considered fraudulent and the Group would have the right to terminate the labour contract immediately. The Group will regularly review the employees' information to ensure there is no violation of any regulations and policies.

Any act of misconduct, such as sexual harassment, is seriously prohibited. Grievance mechanisms and disciplinary procedures are also set in place to enhance transparency and to ensure adequate governance of the Group. The Group adheres strictly to the Immigration Ordinance (Chapter 115 of the Laws of Hong Kong) and has taken appropriate measures to ensure that no illegal workers are employed.

During the Year, no violation of related laws and regulations in Hong Kong relating to preventing child labour and forced labour that have or may have a significant impact on the Group was identified.

OPERATING PRACTICES

Supply Chain Management

The Group believes that building stable and mutually trusted relationships with suppliers is imperative in managing potential environmental and social risks while enhancing operational efficiency and securing the long run prosperity of the Group.

For this purpose, the Group closely collaborates with stakeholders along the supply chain to improve overall environmental, social, and governance performance and to ensure all supply chain management processes are in line with the best practice incorporated. The Group's approach to this includes developing good relationships with suppliers based on honesty, fairness and mutual trust, and procuring only from suppliers on its approved list of suppliers. Major materials that the Group purchases are materials or parts and equipment for tower crane for its provision of the rental services.

As of 31 March 2025, we had 10 supplies (2024: 12 suppliers) mainly located in the following regions.

	Number of Suppliers in	
Region	**2025**	2024
Europe	**–**	2
Hong Kong	**7**	6
The PRC	**2**	4
Others	**1**	–
	10	12

The Group expects the suppliers to implement good employment measures by dealing with their employees fairly and reasonably, respecting employees' rights and providing employees with an environment free from discrimination, child labour and forced labour. The suppliers also need to adhere to transparent business processes and high standards of conduct which they have to avoid conflicts of interest and prohibit corruption and bribery. Before making any procurement decisions, the Group will conduct due diligence and assessments on suppliers to avoid environmental and social risks along the supply chain. Suppliers are chosen mainly based on their service or product quality, price, reputation, financial background, sustainability and social responsibility track record (including environmental friendliness) and delivery time. The Group regularly conducts performance reviews with major suppliers, regularly review the environmental friendliness of the sourced products and services and communicates with them for rectification and improvements. All of the above 10 suppliers are subject to relevant supply chain policies and practices relating to engaging suppliers mentioned above. The Group shall regularly review the relevant policies and practices to ensure their effectiveness.

During the Year, the Group was not aware that any key suppliers had any significant actual or potential negative impact on business ethics, environmental protection, human rights and labour practices, nor did any of them have any non-compliance incident in respect of human rights issues.

Product Responsibility

With a strong determination in provision of equipment with high degree of safety, quality and reliability, and delivery of excellent and professional services, the Group adopts dual-controls in product quality management through stringent quality control in the procurement process and equipment maintenance. The Group also closely monitors the level of customer satisfaction for continual self-improvement. The Group is committed to consistently delivering high quality products and offering superior services, and thus adheres strictly to all applicable laws and regulations in Hong Kong on the safety of its rental equipment.

Incoming Quality Control

The Group enhances sustainable performance through aligning its goal with its suppliers. A comprehensive supplier monitoring mechanism has been duly established and put into practice as baseline management to assure that the quality of equipment supplied to the customers are stringently controlled and monitored. The Group insists to purchase materials, temporary and permanent suspended working platforms and spare parts only from the list of approved suppliers, for which all suppliers are subject to a thorough assessment process and supplier performance review. All these measures are to ensure that the Group's rental equipment are of good design and good quality, and all machineries are made of appropriate material, properly installed and maintained.

Equipment Quality Control

The Group attaches much attention to the quality and maintenance of its equipment so as to enhance occupational safety and reliability, and ultimately gain prominence among customers. For the temporary suspended working platforms operation, the Group has dedicated a quality assurance team, comprising quality assurance officers and Competent Persons as defined under the Factories and Industrial Undertakings (Suspended Working Platforms) Regulation (Chapter 59AC of the Laws of Hong Kong), to formulate, implement, and monitor systematic quality control policies and standard operating procedures. The Group strictly follows the safe use and operation of temporary suspended working platforms. In that regard, a series of meticulous inspections, testing and examination on specific and regular basis are strictly adhered to by the Group.

Labelling

The Group requires that labelling is accurate, legitimate, clear, and not misleading, and intellectual property rights, if applicable, are protected. We ensure that the information and marketing materials we provided do not contain any misleading content to protect customers' interests and do not contain materials which infringe intellectual property rights.

During the Year, the Group was not aware of any non-compliance with relevant laws, rules and regulations in Hong Kong relating to health and safety, advertising, labelling and privacy matters relating to products and services provided that have or may have a significant impact on the Group since we had imposed a stringent quality control regime.

Privacy Matters

The Group respects customer privacy and strives to safeguard customers' data through adhering to all requirements under the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong). The Group is committed to protecting customer data and privacy information, and keeping business information confidential. Training to employees in this regard and proper information system security are required. We acknowledge the importance of protecting the privacy and confidentiality of our customers' information. An internal policy which governs the collection, handling, and disclosure of clients' data has been developed and communicated to our staff, implementation of which is being regularly monitored. The Group has prohibited the use of any personal information of customers by other parties for direct marketing purposes if unlawful or without explicit and implicit consent of customers.

During the Year, no breach of customer privacy or data loss was reported.

Complaint Management

The Group values every feedback from customers and takes them into heart in the process of improving the quality of services and satisfying the needs of existing and potential customers. To encourage customers to share their needs, expectations and views of the services and products provided, various communication channels, such as on-site staff communications with customers, have been established to solicit feedback. As a way of self-improvement, the Group insists in promptly and properly reviewing, reacting and responding to every valuable feedback collected.

The Group welcomes all feedbacks from customers as it is necessary to improve our products and services. Procedures for handling feedbacks are established. Feedbacks are recorded in detail and appropriate follow-up actions are taken promptly.

The principal activities of the Group do not involve production, hence no recall procedures are applicable.

For the years ended 31 March 2025 and 2024, there were no products sold or shipped subject to recalls for safety and health reasons and there were no products and services related complaints received.

Anti-Corruption

With the determination to live up to a high standard of ethics, transparency, responsibility and integrity in every aspect of the Group, robust corporate governance practices have been established and adhered to.

No bribery and corruption are tolerated. The Group aims to carry out its business in a professional and ethical way, and thus takes every possible measure to ensure that all of its operations are in compliance with all applicable laws and regulations in Hong Kong.

A Code of Conduct (the "**Code**") and various internal guidelines regarding bribery, money-laundering, gifts and entertainment are well in place and are mandatory for every employee to strictly follow. Whistleblowing policy is established to encourage reporting, in real name or anonymously, of any incident of bribery, corruption, extortion, fraud and other acts of dishonesty among the Group, implementation of which is being regularly monitored. The Board investigates into every reported non-compliance with the Code and internal guidelines and allegations of bribery. Disciplinary action is undertaken against such culpable employee when violation of the Code or internal guidelines is noted. In addition, we provide publications on anti-corruption practices as training to our directors and senior management personnel regularly.

The Group is not aware of any complaints of corruption against the Group or any of the staff and there were no concluded legal cases regarding corrupt practices brought against the Group or its employees during the Year.

During the Year, no non-compliance with the laws and regulations in Hong Kong relating to bribery, extortion, fraud and money laundering that have or may have a significant impact on the Group was identified.

COMMUNITY

Community Investment

The Group believes that a sustainable community plays a vital role in its long-term growth and success. Therefore, the Group has portrayed immense dedication in contributing to the amelioration of the society through collaborating with the local communities it operates in and addressing the community's needs with focus area of education. There was no charitable donation made by the Group during the year ended 31 March 2025.

The Group will continue to participate in a variety of charitable events and encourage its employees to devote time and to actively get involved in community engagements and charity works. The Group believes that such active engagement on the part of the employees is a determinant of increased loyalty towards the organization.

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Independent auditor's report to the shareholders of
Hing Ming Holdings Limited
興銘控股有限公司
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Hing Ming Holdings Limited and its subsidiaries (together the "**Group**") set out on pages 66 to 115, which comprise the consolidated statement of financial position as at 31 March 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 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 ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), 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.

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 Matter	How the matter was addressed in our audit
Impairment of trade receivables *Refer to notes 2(f)(i), 2(i), 14, 24(a) and 31 to the consolidated financial statements*	
As at 31 March 2025, the carrying amount of trade receivables of approximately HK$26,155,000 (2024: HK$22,800,000), after taking into account the loss allowance of approximately HK$4,833,000 (2024: HK$447,000) recognised for the year. Loss allowance for trade receivables is based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast economic conditions, all of which involve a significant degree of management judgement and estimates. We identified the impairment of trade receivables as a key audit matter because the assessment of recoverability of trade receivables and recognition of loss allowance are inherently subjective and require significant management judgement and estimates, which increases the risk of error or potential management bias.	Our audit procedures in this area included: • evaluating the design, implementation and operating effectiveness of key internal controls which govern credit control, debt collection and estimate of expected credit losses; • assessing, on a sample basis, whether items in the trade receivables ageing report were classified with the appropriate ageing brackets by comparing individual items in the report with the relevant sales invoices; • assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising loss allowance; and • comparing subsequent collections with original estimation to evaluate the reliability and accuracy of management judgement and estimates in the impairment assessment.

KEY AUDIT MATTERS *(Continued)*

The Key Audit Matter	How the matter was addressed in our audit
Impairment of property, plant and equipment (including right-of-use assets) *Refer to notes 2(d), 2(e), 2(f)(ii), 11, 12 and 31 to the consolidated financial statements*	
As at 31 March 2025, the carrying amount of property, plant and equipment (including right-of-use assets) is approximately HK$139,080,000 (2024: HK$138,482,000), after taking into account the impairment losses of approximately HK$9,081,000 (2024: HK$Nil) recognised for the year. Management performed impairment assessments on the Group's property, plant and equipment (including right-of-use assets) by comparing their carrying amount with their respective value-in-use to determine the amount of impairment loss that should be recognised for the year. For the purpose of impairment testing, management identified cash-generating units (CGUs) at the lowest levels at which independent cash inflows are identifiable and largely independent from those of other assets or groups of assets. The impairment assessments was performed for the CGU corresponding to the Group's single operating segment, using the value-in-use method. We identified impairment assessment of property, plant and equipment (including right-of-use assets) as a key audit matter because of the significant judgement and estimation involved. This includes assumptions related to the annual growth rates, assets' remaining useful lives, projected revenue, cost of sales and other operating expenses, utilisation rates and discount rate. The selection of these assumptions is inherently subjective and may be susceptible to management bias.	Our audit procedures included: • evaluating the competence, capability and objectivity of the external valuation expert engaged by management; • assessing value-in-use calculation methodology adopted by management; • assessing the reasonableness of key assumptions (including the annual growth rates, assets' remaining useful lives, projected revenue, cost of sales and other operating expenses, utilisation rates and discount rate) by comparing the historical and market data; • evaluating the reasonableness of the cash flow forecast by comparing against historical performance and discussing with the management on revenue growth strategies and cost-saving initiatives in respect of the cash-generating unit; • checking the mathematical accuracy of the value-in-use calculation used in management's impairment assessment; • performing sensitivity analysis in respect of the key assumptions to evaluate the extent to which changes in those assumptions would impact the value-in-use; and • evaluating the appropriateness of the relevant disclosures in respect of the impairment assessment of property, plant and equipment (including right-of-use assets) in the consolidated financial statements.

OTHER INFORMATION

The directors 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 THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional 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.

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

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

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

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

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

The engagement director on the audit resulting in this independent auditor's report is Chan Sau Yi Teresa.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 20 June 2025
Chan Sau Yi Teresa
Practising certificate number P08292

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	Note	**2025** **HK$'000**	2024 HK$'000
Revenue	3	**106,063**	107,813
Cost of sales and services rendered		**(83,139)**	(83,897)
Gross profit		**22,924**	23,916
Other income	4	**255**	441
(Impairment loss)/reversal of impairment loss on and write-off of trade receivables	5(c), 24(a)	**(5,578)**	2,110
Impairment loss on property, plant and equipment	12	**(9,081)**	–
Administrative expenses		**(31,494)**	(24,578)
(Loss)/profit from operation		**(22,974)**	1,889
Finance costs	5(a)	**(1,913)**	(1,461)
(Loss)/profit before taxation	5	**(24,887)**	428
Income tax credit/(expense)	6	**186**	(996)
Loss and total comprehensive expense for the year		**(24,701)**	(568)
Loss per share	9		
— Basic and diluted		**HK(6.57) cents**	HK(0.15) cents

The notes on pages 71 to 115 form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

(Expressed in Hong Kong dollars)

	Note	**2025 HK$'000**	2024 HK$'000
Non-current assets			
Property, plant and equipment	11	**139,080**	138,482
Deposits paid for purchase of property, plant and equipment		**1,523**	1,572
		140,603	140,054
Current assets			
Inventories	13	**1,950**	2,785
Trade receivables	14	**26,155**	22,800
Prepayments and deposits	15	**2,605**	2,204
Cash and cash equivalents		**12,372**	13,288
		43,082	41,077
Current liabilities			
Trade and other payables	17	**18,259**	26,636
Contract liabilities	16	**1,794**	–
Bank and other borrowings	20	**18,218**	6,129
Lease liabilities	18	**4,389**	5,734
		42,660	38,499
Net current assets		**422**	2,578
Total assets less current liabilities		**141,025**	142,632
Non-current liabilities			
Other payables	17	**566**	2,943
Contract liabilities	16	**343**	–
Bank and other borrowings	20	**24,184**	–
Lease liabilities	18	**5,778**	5,421
Provision for long service payments	21	**773**	–
Deferred tax liabilities	19(a)	**17,190**	17,376
		48,834	25,740
NET ASSETS		**92,191**	116,892
CAPITAL AND RESERVES			
Share capital	23(a)	**3,760**	3,760
Reserves		**88,431**	113,132
TOTAL EQUITY		**92,191**	116,892

Approved and authorised for issue by the board of directors on 20 June 2025

Tang Hing Keung	**Tang Ming Hei**
Director	*Director*

The notes on pages 71 to 115 form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025
(Expressed in Hong Kong dollars)

	Share capital HK$'000 (note 23(a))	Share premium HK$'000 (note 23(c)(i))	Other reserve HK$'000 (note 23(c)(ii))	Retained profits HK$'000	Total equity HK$'000
Balance at 1 April 2023	3,760	57,801	6,000	49,899	117,460
Changes in equity for 2024:					
Loss and total comprehensive expense for the year	–	–	–	(568)	(568)
Balance at 31 March 2024 and 1 April 2024	3,760	57,801	6,000	49,331	116,892
Change in equity for 2025:					
Loss and total comprehensive expense for the year	–	–	–	(24,701)	(24,701)
Balance at 31 March 2025	3,760	57,801	6,000	24,630	92,191

The notes on pages 71 to 115 form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	Note	**2025** **HK$'000**	2024 HK$'000
Operating activities			
(Loss)/profit before taxation		**(24,887)**	428
Adjustments for:			
— Depreciation of property, plant and equipment	5(c)	**23,373**	20,545
— Loss on disposals of property, plant and equipment	5(c)	**8,648**	390
— Write-off of property, plant and equipment	5(c)	**–**	266
— Write-down of inventories	13(b)	**835**	754
— Interest income	4	**(78)**	(39)
— Finance costs	5(a)	**1,913**	1,461
— Impairment loss/(reversal of impairment loss) on trade receivables	24(a)	**4,386**	(2,110)
— Impairment loss on property, plant and equipment	12	**9,081**	–
— Write-off of trade receivables	5(c)	**1,192**	–
— Provision for long service payments	21	**773**	–
Operating profit before changes in working capital		**25,236**	21,695
Decrease in inventories		**7,539**	6,884
(Increase)/decrease in trade receivables		**(8,933)**	2,571
Increase in prepayments and deposits		**(401)**	(1,376)
(Decrease)/increase in trade and other payables		**(792)**	1,876
Increase in contract liabilities		**2,137**	–
Net cash generated from operating activities		**24,786**	31,650
Investing activities			
Payment for purchase of property, plant and equipment		**(54,061)**	(18,004)
Proceeds from disposals of property, plant and equipment		**11,061**	653
Increase in deposits paid for purchase of property, plant and equipment		**(1,474)**	(1,563)
Interest received		**78**	39
Net cash used in investing activities		**(44,396)**	(18,875)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025
(Expressed in Hong Kong dollars)

	Note	2025 HK$'000	2024 HK$'000
Financing activities			
Capital element of lease rental paid	25	**(5,704)**	(5,166)
Interest element of lease rental paid	25	**(487)**	(411)
Increase in interest-bearing payables for purchase of property, plant and equipment	25	**–**	4,344
Repayments for interest-bearing payables for purchase of property, plant and equipment	25	**(9,962)**	(5,999)
Proceeds from bank loans	25	**2,000**	–
Repayments of bank loans	25	**(1,557)**	(2,787)
Proceeds from other borrowings	25	**36,762**	–
Repayments of other borrowings	25	**(2,466)**	–
Proceeds from obligation arising from sale and leaseback transaction	25	**4,329**	–
Repayments for obligation arising from sale and leaseback transaction	25	**(2,795)**	(2,625)
Bank loan interests paid	25	**(275)**	(253)
Other interests paid	25	**(1,151)**	(797)
Net cash generated from/(used in) financing activities		**18,694**	(13,694)
Net decrease in cash and cash equivalents		**(916)**	(919)
Cash and cash equivalents at beginning of the year		**13,288**	14,207
Cash and cash equivalents at end of the year		**12,372**	13,288

The notes on pages 71 to 115 form part of the consolidated financial statements.

1 COMPANY INFORMATION

Hing Ming Holdings Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on 8 April 2016 and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 15 March 2017. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is Room A4, 2/F., Tsim Sha Tsui Mansion, 83-87 Nathan Road, Kowloon.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 29.

As at 31 March 2025, the directors consider the immediate parent and ultimate holding company of the Group (as defined in note 2(a)) to be Hing Gut Limited, which is incorporated in the British Virgin Islands (the "**BVI**").

The consolidated financial statements are presented in Hong Kong dollars which is also the functional currency of the Company.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(A) STATEMENT OF COMPLIANCE

The consolidated financial statements for the year ended 31 March 2025 comprise the Company and its subsidiaries (together the "**Group**").

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**").

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 32 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these consolidated financial statements. The Group has not applied any new or revised HKFRS Accounting Standards that are not yet effective for the current accounting period.

A summary of the material accounting policies adopted by the Group is set out below.

2 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(B) BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 31.

(C) SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it is accounted for a as disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(f)(ii)).

2 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(D) PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment (including right-of-use assets) arising from leases over leasehold properties where the Group is not the registered owner of the property interest and leases of underlying plant and equipment (see note 2(e)), are stated at cost less accumulated depreciation and impairment losses (see note 2(f)(ii)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Properties leased for own use	Unexpired terms of leases
Plant and machinery	10 to 15 years and unexpired terms of leases
Motor vehicles	5 years
Furniture and equipment	3–5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(E) LEASED ASSETS

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.

(i) As a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

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. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

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. 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 (see notes 2(d) and 2(f)(ii)).

2 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(E) LEASED ASSETS *(Continued)*

(i) ***As a lessee*** *(Continued)*

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if 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 lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the end of the reporting period.

For sale and leaseback transactions, the Group considers whether the initial transfer of the underlying asset to the buyer-lessor is a sale. The Group applies HKFRS 15 "Revenue from Contracts with Customers" to determine whether a sale has taken place.

When the transfer to buyer-lessor is a sale, the Group derecognises the underlying asset and applies the lessee accounting model to the leaseback — the Group measures the right-of-use asset at the retained portion of the previous carrying amount (i.e. at cost), and recognises only the amount of any gain or loss related to the rights transferred to the lessor.

When the transfer to buyer-lessor is not a sale, the Group continues to recognise the underlying asset, and recognises a financial liability for any amount received from the buyer-lessor.

(ii) ***As a lessor***

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(q)(iii).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(e)(i), then the Group classifies the sub-lease as an operating lease.

2 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(F) CREDIT LOSSES AND IMPAIRMENT OF ASSETS

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("**ECLs**") on financial assets measured at amortised cost (including cash and cash equivalents, deposits paid and trade receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

— fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and

— variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

— 12-months ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

— lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

2 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(F) CREDIT LOSSES AND IMPAIRMENT OF ASSETS *(Continued)*

(i) ***Credit losses from financial instruments*** *(Continued)*

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the end of the reporting period with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. 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 since initial recognition:

— failure to make payments of principal and interest on their contractually due dates;

— an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

— an actual or expected significant deterioration in the operating results of the debtor; and

— existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

— significant financial difficulties of the debtor;

— a breach of contract, such as a default; or

— it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(F) CREDIT LOSSES AND IMPAIRMENT OF ASSETS *(Continued)*

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment (including right-of-use assets); and

— investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

— Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(G) INVENTORIES

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out cost formula and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is 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.

2 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(G) INVENTORIES *(Continued)*

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(H) CONTRACT ASSETS AND CONTRACT LIABILITIES

A contract asset is recognised when the Group recognises revenue (see note 2(q)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("**ECLs**") in accordance with the policy set out in note 2(f)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(i)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(q)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see note 2(i)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(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. Trade receivables are initially measured at their transaction price. Other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(f)(i)).

(J) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses in accordance with the accounting policy set out in note 2(f)(i).

(K) TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(L) INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the accounting policy for borrowing costs (see note 2(s)).

2 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(M) EMPLOYEE BENEFITS

(i) Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Defined contribution retirement plans

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 and there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

(iii) Long service payments

The Group's net obligation in respect of long service payments to its employees upon the termination of their employment or retirement when the employee fulfils certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their services in the current and prior periods.

The obligation is calculated using the Projected Unit Credit Method ("**PUCM**"), discounted to present value and reduced by entitlements accrued under the Group's retirement plans that are attributable to contributions made by the Group before 1 May 2025 (the "**Transition date**") as gazetted by the Government of HKSAR. After the Transition date, the obligation is not reduced by contributions made by the Group. The discount rate is the yield at the reporting date on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Past service cost, current service cost and interest cost are included in the cost of sale and services rendered and administrative expense in the consolidated statement of profit or loss and other comprehensive income.

Remeasurement are charged or credited to equity in other comprehensive income in the period in which they arise.

(iv) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(N) INCOME TAX

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also included any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

2 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(N) INCOME TAX *(Continued)*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

— temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

— temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals or existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

(O) FINANCIAL GUARANTEES ISSUED

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "**holder**") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised at fair value, which is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

2 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(O) FINANCIAL GUARANTEES ISSUED *(Continued)*

Subsequent to initial recognition, the amount initial recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the amount carried in deferred income in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation). To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in note 2(f)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

(P) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(Q) REVENUE AND OTHER INCOME

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from equipment installation, demolition and inspection services

Revenue from equipment installation, demolition and inspection services are recognised over time when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

2 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(Q) REVENUE AND OTHER INCOME *(Continued)*

(ii) Sale of goods

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

(iii) Rental and related service income

Rental and related service income is recognised in profit or loss in equal instalments over the periods covered by the lease term or over time on an utilisation time basis.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

(R) TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

(S) BORROWING COSTS

Borrowing costs are expensed in the period in which they are incurred.

(T) SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's executive directors for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 REVENUE

Revenue represents income received and receivable from rental and related services and trading of equipment and spare parts during the year and is summarised as follows:

	2025 HK$'000	2024 HK$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Equipment installation, demolition and inspection services	**40,969**	49,135
Trading of equipment and spare parts	**5,632**	5,239
	46,601	54,374
Revenue from other sources		
Rental income from leasing equipment and spare parts	**59,462**	53,439
	106,063	107,813
Timing of revenue recognition		
A point in time	**5,632**	5,239
Over time	**100,431**	102,574
	106,063	107,813

REVENUE EXPECTED TO BE RECOGNISED IN THE FUTURE ARISING FROM CONTRACTS WITH CUSTOMERS IN EXISTENCE AT THE REPORTING DATE

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$57,871,000 (2024: HK$31,936,000). This amount represents revenue expected to be recognised in the future from pre-completion service contracts for equipment installation, demolition and inspection service 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 within the next 2 years (2024: 2 years).

4 OTHER INCOME

	2025 HK$'000	2024 HK$'000
Bank interest income	**78**	39
Compensation income	**–**	360
Sundry income	**177**	42
	255	441

5 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

(A) FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interest on bank loans	**275**	253
Interest on other borrowings	**861**	–
Interest on payables for purchase of property, plant and equipment	**44**	604
Interest on lease liabilities	**487**	411
Finance charge on sale and leaseback transactions	**246**	193
	1,913	1,461

(B) STAFF COSTS (INCLUDING DIRECTORS' REMUNERATION (NOTE 7)):

	2025 HK$'000	2024 HK$'000
Salaries, wages and other benefits	**26,491**	28,711
Long service payment expense	**773**	–
Contributions to defined contribution retirement plan	**492**	508
	27,756	29,219

(C) OTHER ITEMS

	2025 HK$'000	2024 HK$'000
Auditor's remuneration	**562**	580
Cost of inventories sold and materials consumed (note 13(b))	**8,374**	11,005
Depreciation of property, plant and equipment	**23,373**	20,545
Expense relating to short-term leases or leases of low-value assets	**68**	28
Exchange loss, net	**167**	102
Loss on disposals of property, plant and equipment	**8,648**	390
Write-off of property, plant and equipment	**–**	266
Write-off of trade receivables	**1,192**	–

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(A) TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME REPRESENTS:

	2025 HK$'000	2024 HK$'000
Deferred tax (note 19)		
Origination and reversal of temporary differences	**(186)**	996
Income tax (credit)/expense	**(186)**	996

Hong Kong Profits Tax

No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2025 as entities within the Group incurred losses for tax purpose or had sufficient tax losses brought forward to set off estimated assessable profits (2024: HK$Nil).

Income tax from other tax jurisdictions

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

(B) RECONCILIATION BETWEEN INCOME TAX (CREDIT)/EXPENSE AND ACCOUNTING (LOSS)/PROFIT AT APPLICABLE TAX RATES:

	2025 HK$'000	2024 HK$'000
(Loss)/profit before taxation	**(24,887)**	428
Notional tax on (loss)/profit before taxation at Hong Kong statutory tax rate	**(4,106)**	70
Tax effect of non-deductible expenses	**159**	131
Tax effect of non-taxable income	**(14)**	(11)
Tax effect of unused tax losses not recognised	**4,231**	2,511
Tax effect of utilisation of tax losses previously not recognised	**(573)**	(1,353)
Tax effect of temporary differences not recognised	**117**	(352)
Income tax (credit)/expense	**(186)**	996

7 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance, Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation and the GEM Listing Rules are as follows:

	Directors' fees		Salaries, allowances and benefits in kind		Discretionary bonuses		Retirement scheme contributions		Total	
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
Executive directors										
Mr. Tang Hing Keung *(Chief executive officer)*	**–**	–	**7,200**	7,000	**2,000**	5,000	**–**	–	**9,200**	12,000
Mr. Tang Ming Hei	**–**	–	**960**	960	**–**	–	**18**	18	**978**	978
Non-executive directors										
Ms. Au Fung Yee	**150**	150	**–**	–	**–**	–	**–**	–	**150**	150
Mr. Au Lop Wah Edmond	**150**	150	**–**	–	**–**	–	**–**	–	**150**	150
Independent non-executive directors										
Mr. Kwan Woon Man Boris	**100**	100	**–**	–	**–**	–	**–**	–	**100**	100
Mr. Chiu Chi Wing (note (i))	**–**	58	**–**	–	**–**	–	**–**	–	**–**	58
Mr. Yeung Chi Fai	**100**	100	**–**	–	**–**	–	**–**	–	**100**	100
Mr. Wu Kin San Alfred	**100**	42	**–**	–	**–**	–	**–**	–	**100**	42
	600	600	**8,160**	7,960	**2,000**	5,000	**18**	18	**10,778**	13,578

Note:

(i) Mr. Chiu Chi Wing resigned as an independent non-executive Director with effect from 1 November 2023.

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

During the years ended 31 March 2025 and 2024, no director waived or agreed to waive any emoluments. No emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2024: two) are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other three (2024: three) individuals are as follows:

	2025 HK$'000	2024 HK$'000
Salaries, allowances and benefits in kind	**2,036**	1,796
Discretionary bonuses	**698**	902
Long service payment expense	**147**	–
Retirement scheme contributions	**56**	54
	2,937	2,752

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS *(Continued)*

The emoluments of the three (2024: three) individuals with the highest emoluments are within the following bands:

	2025 Number of individuals	2024 Number of individuals
HK$Nil to HK$1,000,000	**2**	2
HK$1,000,001 to HK$1,500,000	**1**	1

During the years ended 31 March 2025 and 2024, no emoluments were paid by the Group to any of the individuals with highest emoluments of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

9 LOSS PER SHARE

The calculation of basic loss per share is based on the loss of approximately HK$24,701,000 (2024: HK$568,000) attributable to equity shareholders of the Company and the weighted average number of 376,000,000 (2024: 376,000,000) ordinary shares in issue during the year.

As the Company does not have any potential dilutive ordinary shares during the years ended 31 March 2025 and 2024, basic and diluted earnings per share are the same.

10 SEGMENT REPORTING

(A) SEGMENT REPORTING

The Group has identified its operating segment based on the regular internal financial information reported to the Company's executive directors, being the chief operating decision maker, for their decisions about resources allocation and review of performance. During the years, the executive directors have considered the only operating segment of the Group is rental and related services and trading of equipment and spare parts.

(B) GEOGRAPHICAL INFORMATION

The Group's revenue was generated and non-current assets were located in Hong Kong for the years ended 31 March 2025 and 2024.

(C) MAJOR CUSTOMERS

Revenue from the major customers that accounted for 10% or more of the Group's total revenue is set out below:

	2025 HK$'000	2024 HK$'000
Customer A	**26,469**	39,971
Customer B	**37,644**	50,197

11 PROPERTY, PLANT AND EQUIPMENT

	Properties leased for own use HK$'000	Plant and machinery HK$'000	Motor vehicles HK$'000	Furniture and equipment HK$'000	Total HK$'000
Cost					
At 1 April 2023	4,945	179,134	5,030	2,181	191,290
Additions	4,100	28,664	50	24	32,838
Disposals	–	(3,216)	–	–	(3,216)
Written off	(1,233)	(444)	–	–	(1,677)
Transferred to inventories (note)	–	(4,550)	–	–	(4,550)
At 31 March 2024 and 1 April 2024	7,812	199,588	5,080	2,205	214,685
Additions	–	57,779	–	2,521	60,300
Disposals	–	(32,399)	(297)	–	(32,696)
Written off	(3,711)	–	–	–	(3,711)
Transferred to inventories (note)	–	(11,707)	–	–	(11,707)
At 31 March 2025	4,101	213,261	4,783	4,726	226,871
Accumulated depreciation and impairment					
At 1 April 2023	3,247	52,105	4,565	336	60,253
Charge for the year	2,394	17,532	185	434	20,545
Write back on disposals	–	(2,173)	–	–	(2,173)
Written off	(1,233)	(178)	–	–	(1,411)
Transferred to inventories (note)	–	(1,011)	–	–	(1,011)
At 31 March 2024 and 1 April 2024	4,408	66,275	4,750	770	76,203
Charge for the year	2,050	20,609	179	535	23,373
Impairment loss	83	8,779	9	210	9,081
Write back on disposals	–	(12,690)	(297)	–	(12,987)
Written off	(3,711)	–	–	–	(3,711)
Transferred to inventories (note)	–	(4,168)	–	–	(4,168)
At 31 March 2025	2,830	78,805	4,641	1,515	87,791
Net book value					
At 31 March 2025	1,271	134,456	142	3,211	139,080
At 31 March 2024	3,404	133,313	330	1,435	138,482

Note:

During the year ended 31 March 2025, the use of certain machineries of the Group have been changed from leasing out for rental income to holding for sale. Those machineries with carrying amount of approximately HK$7,539,000 (2024: HK$3,539,000) was transferred from property, plant and equipment to inventories at the date when they ceased to be rented.

11 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(A) RIGHT-OF-USE ASSETS (INCLUDED IN THE PROPERTY, PLANT AND EQUIPMENT)

The Group as lessee

	Properties leased for own use HK$'000	Plant and machinery HK$'000	Total HK$'000
As at 31 March 2025			
Carrying amount	1,271	19,043	20,314
As at 31 March 2024			
Carrying amount	3,404	16,947	20,351
For the year ended 31 March 2025			
Depreciation charge	2,050	2,256	4,306
Impairment loss	83	1,212	1,295
For the year ended 31 March 2024			
Depreciation charge	2,394	1,515	3,909

	2025 HK$'000	2024 HK$'000
Expense relating to short-term leases or leases of low-value assets	**68**	28
Total cash outflow for leases	**6,259**	5,605

Details of the maturity analysis of lease liabilities are set out in note 18.

During the year ended 31 March 2025, additions to right-of-use assets amounted to approximately HK$5,564,000 (2024: HK$9,199,000). This amount included the purchase of plant and machinery of approximately HK$5,564,000 (2024: HK$5,099,000) under hire purchase arrangement, and the remainder of approximately HK$Nil (2024: HK$4,100,000) was primarily related to the capitalised lease payments payable under new tenancy agreements of leasehold properties. The leases typically run for a period of 1 to 4 (2024: 1 to 4) years. None of the leases includes variable lease payments.

11 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(B) THE DISAGGREGATION OF MACHINERIES SUBJECT TO OPERATING LEASES INCLUDED WITHIN PROPERTY, PLANT AND EQUIPMENT AND THE RECONCILIATION OF THE CARRYING AMOUNT AT THE BEGINNING AND END OF THE PERIOD ARE SET OUT AS FOLLOWS:

	HK$'000
Cost	
At 1 April 2023	122,057
Additions	21,251
Transferred to inventories	(4,482)
At 31 March 2024 and 1 April 2024	138,826
Additions	57,741
Disposals	(27,186)
Transferred to inventories	(11,707)
At 31 March 2025	157,674
Accumulated depreciation and impairment	
At 1 April 2023	23,685
Charge for the year	11,942
Transferred to inventories	(943)
At 31 March 2024 and 1 April 2024	34,684
Charge for the year	14,934
Impairment loss	7,214
Write back on disposals	(8,367)
Transferred to inventories	(4,168)
At 31 March 2025	44,297
Net book value	
At 31 March 2025	113,377
At 31 March 2024	104,142

The Group leases out a number of items of machinery under operating leases with net carrying amount of HK$89,398,000 (2024: HK$99,476,000). The leases typically run for a period of 1 to 2 (2024: 1 to 2) years. None of the leases includes variable lease payments. Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods are approximately HK$51,926,000 in the next two years (2024: approximately HK$8,450,000 in the next two years).

11 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(C) ASSETS PLEDGED AS SECURITY FOR LIABILITIES

During the year ended 31 March 2025, the Group entered into sale and leaseback arrangements for 5 tower cranes with an external party. The Group determined the transfer to buyer-lessor did not qualify as a sale as it did not satisfy the requirements of HKFRS 15 to be accounted for as a sale of asset, thus the Group continues to recognise the underlying assets, and accounts for the consideration received in accordance with the accounting policy set out on note 2(e)(i). No gain or loss was recognised from the sale and leaseback transaction. As at 31 March 2025, the net book value of the machineries and equipment pledged for this sale and leaseback transaction was approximately HK$5,370,000 (note 20(b)(i)).

During the year ended 31 March 2022, the Group entered into a sale and leaseback arrangement for a tower crane with an external party. The Group determined the transfer to buyer-lessor did not qualify as a sale as it did not satisfy the requirements of HKFRS 15 to be accounted for as a sale of asset, thus the Group continues to recognise the underlying asset, and accounts for the consideration received in accordance with the accounting policy set out on note 2(e)(i). No gain or loss was recognised from the sale and leaseback transaction. As at 31 March 2024, the net book value of the machinery and equipment pledged for this sale and leaseback transaction was approximately HK$6,821,000. The obligation arising from the sale and leaseback transaction was fully settled during the year ended 31 March 2025 (see note 20(b)(i)).

12 IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS)

TRADING, INSTALLATION, DEMOLITION, INSPECTION AND RENTING OF CONSTRUCTION EQUIPMENT BUSINESS (THE "BUSINESS")

During the year ended 31 March 2025, as the Business suffered continuous operating loss, the management of the Group concluded there was indication for impairment and conducted impairment assessment on property, plant and equipment (including right-of-use assets) with carrying amount of approximately HK$148,161,000.

The Group engaged an independent professional valuer to assess the recoverable amount of the Business as a single cash-generating unit (the "**CGU**") when it is not possible to estimate the recoverable amount individually, including allocation of corporate assets when reasonable and consistent basis can be established.

The recoverable amount of the CGU has been determined based on the value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the following 8 years with a pre-tax discount rate of 11.85%. The cash flow projections covered a period greater than five years to align with remaining useful lives of the property, plant and equipment (including right-of-use assets) in the CGU. The annual growth rates used range from -20% to 2.5%, which is based on the CGU's past performance and management expectations for the market development. The average utilisation rate is adopted at a range of 62.9% to 81.7% for the relevant years.

As at 31 March 2025, based on the results of the assessment, management of the Group determined that the carrying amount exceeded the recoverable amount of the CGU by approximately HK$9,081,000. As a result, the impairment loss of approximately HK$9,081,000 was recognised in profit or loss.

In the opinion of the directors, any reasonably adverse change in any of these assumptions would result in further impairment losses.

13 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	2025 HK$'000	2024 HK$'000
Equipment and spare parts	**1,950**	2,785

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025 HK$'000	2024 HK$'000
Carrying amount of inventories sold	**7,539**	10,251
Write-down of inventories	**835**	754
	8,374	11,005

14 TRADE RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade receivables	**30,988**	23,247
Less: loss allowance (note 24(a))	**(4,833)**	(447)
	26,155	22,800

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance for credit losses, is as follows:

	2025 HK$'000	2024 HK$'000
Within 1 month	**18,225**	7,308
More than 1 month but less than 3 months	**6,271**	10,723
More than 3 months but less than 6 months	**1,226**	2,760
More than 6 months but less than 1 year	**433**	1,689
More than 1 year	**–**	320
	26,155	22,800

Further details on the Group's credit policy are set out in note 24(a).

15 PREPAYMENTS AND DEPOSITS

	2025 HK$'000	2024 HK$'000
Prepayments	**440**	737
Deposits	**2,165**	1,467
	2,605	2,204

The amount of deposits are expected to be recovered or recognised as expenses after more than one year is HK$417,000 (2024: HK$417,000). All of the other prepayments and deposits are expected to be recovered or recognised as expenses within one year.

16 CONTRACT LIABILITIES

	2025 HK$'000	2024 HK$'000
Contract liabilities		
Equipment installation, demolition and inspection services — Billings in advance of performance	**2,137**	–
Current portion	**1,794**	–
Non-current portion	**343**	–
	2,137	–

Movements in contract liabilities

	2025 HK$'000	2024 HK$'000
Balance at 1 April	**–**	–
Increase in contract liabilities as a result of billing in advance of equipment installation, demolition and inspection services	**5,180**	–
Decrease in contract liabilities as a result of recognising revenue in respect of new contract liabilities during the year	**(3,043)**	–
Balance at 31 March	**2,137**	–

17 TRADE AND OTHER PAYABLES

	2025 HK$'000	2024 HK$'000
Trade payables	**10,366**	11,955
Payables for purchase of property, plant and equipment	**263**	14,256
Accrual expenses and other payables	**2,691**	3,368
Deposits received	**5,505**	–
	18,825	29,579
Other payables under non-current liabilities	**(566)**	(2,943)
Current portion of trade and other payables under current liabilities	**18,259**	26,636

All trade and other payables are expected to be settled within one year except for other payables of approximately HK$566,000 for deposits received (2024: HK$2,943,000 for payables for purchase of property, plant and equipment).

As at 31 March 2024, payables for purchase of property, plant and equipment of approximately HK$3,387,000 and HK$6,575,000 were unsecured, bore interest at a fixed rate of 6% and 5% per annum respectively.

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	2025 HK$'000	2024 HK$'000
Within 1 month	**6,896**	3,943
More than 1 month but less than 3 months	**1,631**	4,181
More than 3 months but less than 6 months	**1,380**	2,298
More than 6 months but less than 12 months	**236**	1,310
More than 1 year	**223**	223
	10,366	11,955

18 LEASE LIABILITIES

The lease liabilities are repayable as follows:

	2025 HK$'000	2024 HK$'000
Within 1 year	**4,389**	5,734
After 1 year but within 2 years	**2,100**	3,443
After 2 years but within 5 years	**3,678**	1,978
	5,778	5,421
	10,167	11,155

19 DEFERRED TAX

(A) DEFERRED TAX ASSETS AND LIABILITIES RECOGNISED

(i) Movement of each component of deferred tax assets and liabilities

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

	Depreciation allowances in excess of the related depreciation HK$'000	**Right-of-use assets** HK$'000	**Lease liabilities** HK$'000	**Total** HK$'000
At 1 April 2023	16,380	280	(280)	16,380
Charged/(credited) to profit or loss (Note 6(a))	996	281	(281)	996
At 31 March 2024 and 1 April 2024	17,376	561	(561)	17,376
(Credited)/charged to profit or loss (Note 6(a))	(186)	(351)	351	(186)
At 31 March 2025	17,190	210	(210)	17,190

(ii) Reconciliation to the consolidated statement of financial position

	2025 HK$'000	2024 HK$'000
Net deferred tax liability recognised in the consolidated statement of financial position	**17,190**	17,376

19 DEFERRED TAX *(Continued)*

(B) DEFERRED TAX ASSETS NOT RECOGNISED

As at 31 March 2025, the Group has not recognised deferred tax assets in respect of cumulative tax losses and other temporary differences of approximately HK$93,020,000 (2024: HK$70,849,000) and HK$1,156,000 (2024: HK$447,000) respectively as it is not probable that future taxable profits against which the tax losses and temporary differences can be utilised/reversed will be available. The tax losses do not expire under current tax legislation.

20 BANK AND OTHER BORROWINGS

	Note	2025 HK$'000	2024 HK$'000
Non-current			
Other borrowings	(c)	**24,184**	–
		24,184	–
Current			
Bank loans — secured	(a)	**4,507**	4,064
Obligation arising from sale and leaseback transactions (note 11(c))	(b)	**3,599**	2,065
Other borrowings	(c)	**10,112**	–
		18,218	6,129
		42,402	6,129

(A) BANK LOANS

Bank loans were repayable as follows:

	2025 HK$'000	2024 HK$'000
Less than 1 year	**1,723**	1,181
1 to 2 years	**1,812**	1,241
After 2 years but within 5 years	**972**	1,642
	4,507	4,064

(i) As at 31 March 2025, bank loans of approximately HK$4,507,000 (2024: HK$4,064,000) is secured by corporate guarantee of the Company. Interest rate is charged at prime rate minus 1% per annum or plus 0.875% per annum.

(ii) As at 31 March 2025, the current liabilities include bank loans of approximating HK$2,784,000 (2024: HK$2,883,000) that are not scheduled to repay within one year. It is classified as current liabilities as the relevant loan agreement contains a clause that provides the lender with an unconditional right to demand repayment at any time at its own discretion.

20 BANK AND OTHER BORROWINGS *(Continued)*

(B) OBLIGATION ARISING FROM SALE AND LEASEBACK TRANSACTIONS

Maturity analysis — present value of obligation arising from sale and leaseback transactions:

	2025 HK$'000	2024 HK$'000
Less than 1 year	**1,051**	2,065
1 to 2 years	**2,548**	–
Present value of obligation arising from sale and leaseback transaction	**3,599**	2,065

(i) As at 31 March 2025, obligation arising from sale and leaseback transaction of approximately HK$3,599,000 is charged at prime rate plus 0.875% per annum, and secured by a corporate guarantee of the Company and pledges of the Group's machineries and equipment with net book value of approximately HK$5,370,000 (2024: HK$Nil) (see note 11(c)).

As at 31 March 2024, obligation arising from sale and leaseback transaction of approximately HK$2,065,000 was charged at 5.5% per annum and secured by pledge of the Group's machinery and equipment with net book value of approximately HK$6,821,000 (see note 11(c)).

(ii) As at 31 March 2025, the current liabilities include obligation arising from sale and leaseback transaction of approximately HK$2,548,000 (2024: HK$Nil) that are not scheduled to repay within one year. It is classified as current liabilities as the relevant leaseback agreement contains a clause that provides the lessor with an unconditional right to demand repayment at any time at its own discretion.

(C) OTHER BORROWINGS

Other borrowings were repayable as follows:

	2025 HK$'000	2024 HK$'000
Less than 1 year	**10,112**	–
1 to 2 years	**10,838**	–
After 2 years but within 5 years	**13,346**	–
	34,296	–

As at 31 March 2025, other borrowings are secured by corporate guarantee of the Company and personal guarantee of the Company's director, Mr. Tang Hing Keung. Interest rates are charged at a range of 6.93%–7% (2024: Nil) per annum.

21 PROVISION FOR LONG SERVICE PAYMENTS

Hong Kong employees that have been employed continuously for at least five years are entitled to long service payments in accordance with the Hong Kong Employment Ordinance under certain circumstances.

The present value of provision for long service payments and its movements are as follows:

	2025 HK$'000
At 1 April 2023, 31 March 2024 and 1 April 2024	–
Expenses recognised in profit or loss and other comprehensive income:	
Past service cost	658
Current service cost	91
Interest cost	24
At 31 March 2025	773

The weighted average duration of the defined benefit obligations is 12.59 years (2024: N/A).

The above expenses are recognised in the cost of sale and services rendered and administrative expense in the consolidated statement of profit or loss and other comprehensive income.

22 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to a resolution passed on 23 February 2017 for the purpose of providing incentives or rewards to eligible persons whom the board of directors (the "**Board**") considers, in its sole discretion, to have contributed or will contribute to the Group. The Share Option Scheme shall be valid and effective for a period of 10 years commencing on 23 February 2017.

Under the Share Option Scheme, the Board may grant options to eligible persons, including directors of the Company and members of the Group, to subscribe for the shares of the Company. Eligible persons of the Share Option Scheme include, among others, any executive, any employee (including full-time or part-time employee), director (including non-executive and independent non-executive), shareholder of any member of the Group and an associate of any of the aforementioned persons (the "**Eligible Persons**").

Options granted shall be taken up upon payment of HK$1.00 as consideration for the grant of option. The payment or remittance of HK$1.00 shall be made within 21 days from the offer date or within such other period of time as may be determined by the Board pursuant to the GEM Listing Rules. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed 30% of the shares in issue from time to time. No options shall be granted under the Share Option Scheme at any time if such grant shall result in the scheme limit being exceeded. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company shall not in aggregate exceed 40,000,000 shares (equivalent to 10% of the total number of shares in issue as at the date on which dealings in the shares first commence on the Stock Exchange). The Company may seek approval of its shareholders in general meeting for refreshing such 10% limit.

22 EQUITY-SETTLED SHARE-BASED TRANSACTIONS *(Continued)*

Where any grant of options to a substantial shareholder or an independent non-executive director, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the shares in issue on the date of such grant; and (ii) having an aggregate value, based on the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK$5,000,000, such further grant of the options shall be subject to prior approval of the shareholders with such person and his associates abstaining from voting in favour at the general meeting.

Any grant of options to any director, chief executive or substantial shareholder (as defined in the GEM Listing Rules) of the Company, or any of their respective associates under the Share Option Scheme is subject to the prior approval of the independent non-executive directors (excluding the independent non-executive director who or whose associate is the grantee of an option).

The subscription price for the shares is determined by the Board, and shall not be less than whichever is the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of offer (which must be a business day); (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the offer date; and (iii) the nominal value of a share.

No share option under the Share Option Scheme was granted or outstanding during the years ended 31 March 2025 and 2024.

23 SHARE CAPITAL, DIVIDENDS AND RESERVES

(A) SHARE CAPITAL

	Number of shares '000	Amount HK$'000
Authorised:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025, HK$0.01 each	10,000,000	100,000
Issued and fully paid:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	376,000	3,760

Notes:

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Company. All shares rank equally with regard to the Company's residual assets.

23 SHARE CAPITAL, DIVIDENDS AND RESERVES *(Continued)*

(B) DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the year ended 31 March 2025 (2024: HK$Nil).

(C) NATURE AND PURPOSE OF RESERVES

(i) Share premium

The share premium represents the amount subscribed for share capital in excess of nominal value, less of share issuing costs. Under the Companies Act, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business.

(ii) Other reserve

The other reserve of the Group represents the difference between the total equity of those subsidiaries and the aggregated share capital of the relevant subsidiaries pursuant to the group reorganisation where the transfer of the relevant subsidiaries to the Company are satisfied by issue of new shares from the Company.

(D) DISTRIBUTABILITY OF RESERVES

As at 31 March 2025, the aggregate amount of reserves available for distribution to equity shareholders of the Company was approximately HK$4,753,000 (2024: HK$15,838,000), being the aggregate of the share premium and accumulated losses of the Company.

(E) CAPITAL MANAGEMENT

The Group's capital management objectives include:

(i) to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for owners and benefits for other stakeholders;

(ii) to support the Group's stability and growth; and

(iii) to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder's returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

Management regards total equity attributable to equity shareholders of the Company as capital. The amount of capital as at 31 March 2025 and 2024 amounted to approximately HK$92,191,000 and HK$116,892,000 respectively.

The Group's overall strategy remained unchanged during the year.

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(A) CREDIT RISK

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 receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks for which the Group considers to having low credit risk.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the end of the reporting period, the Group had a concentration of credit risk as 23% (2024: 55%) and 79% (2024: 95%) of total trade receivables was due from the largest customer and five largest customers respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These take into account the customer's past payment history, financial position and other factors. Trade receivables are due within 30 days from the billing date or based on the terms agreed in the sale and rental agreements.

During the year ended 31 March 2025, the Group has identified that certain debtors having insolvency issues and, accordingly, specific full provision of loss allowance on trade receivables of HK$3,699,000 (2024: HK$Nil) was made.

The Group measures loss allowances for the other trade receivables at an amount equal to lifetime ECLs, 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 loss allowance based on past due status is not further distinguished between the Group's different customer bases.

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

At 31 March 2025	Expected loss rate %	Gross carrying amount excluding specific debtors HK$'000	Loss allowance excluding specific debtors HK$'000	Gross carrying amount of specific debtors HK$'000	Loss allowance of specific debtors HK$'000	Total gross carrying amount HK$'000	Total loss allowance HK$'000	Net carrying amount HK$'000
Current (not past due)	1.05%	18,419	(194)	–	–	18,419	(194)	18,225
Less than 1 month past due	5.94%	5,554	(330)	–	–	5,554	(330)	5,224
1 to 3 months past due	22.69%	1,403	(98)	285	(285)	1,688	(383)	1,305
4 to 6 months past due	47.74%	1,231	(157)	824	(824)	2,055	(981)	1,074
More than 6 months but less than 1 year past due	85.83%	451	(124)	1,857	(1,857)	2,308	(1,981)	327
More than 1 year but less than 2 years past due	100%	231	(231)	697	(697)	928	(928)	–
More than 2 years past due	100%	–	–	36	(36)	36	(36)	–
		27,289	(1,134)	3,699	(3,699)	30,988	(4,833)	26,155

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(A) CREDIT RISK *(Continued)*

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

At 31 March 2024	Expected loss rate %	Gross carrying amount excluding specific debtors HK$'000	Loss allowance excluding specific debtors HK$'000	Gross carrying amount of specific debtors HK$'000	Loss allowance of specific debtors HK$'000	Total gross carrying amount HK$'000	Total loss allowance HK$'000	Net carrying amount HK$'000
Current (not past due)	0%	7,308	–	–	–	7,308	–	7,308
Less than 1 month past due	0%	10,723	–	–	–	10,723	–	10,723
1 to 3 months past due	0.14%	1,404	(2)	–	–	1,404	(2)	1,402
4 to 6 months past due	0.23%	1,767	(4)	–	–	1,767	(4)	1,763
More than 6 months but less than 1 year past due	9.48%	1,772	(168)	–	–	1,772	(168)	1,604
More than 1 year but less than 2 years past due	100%	113	(113)	–	–	113	(113)	–
More than 2 years past due	100%	160	(160)	–	–	160	(160)	–
		23,247	(447)	–	–	23,247	(447)	22,800

Expected loss rates are based on actual loss experience over the past one year. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movements in loss allowance in respect of trade receivables:

	HK$'000
Balance at 1 April 2023	2,557
Impairment losses reversed during the year	(2,110)
Balance at 31 March 2024 and 1 April 2024	447
Impairment losses recognised during the year	4,386
Balance at 31 March 2025	4,833

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(B) LIQUIDITY RISK

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

	2025				
	Carrying amount HK$'000	**Total contractual undiscounted cash flow HK$'000**	**Within 1 year or on demand HK$'000**	**More than 1 year but less than 2 years HK$'000**	**More than 2 years but less than 5 years HK$'000**
Trade and other payables	**13,320**	**13,320**	**13,320**	**–**	**–**
Lease liabilities	**10,167**	**11,013**	**4,793**	**2,355**	**3,865**
Bank and other borrowings (note)	**42,402**	**47,479**	**15,335**	**15,335**	**16,809**
	65,889	**71,812**	**33,448**	**17,690**	**20,674**

	2024				
	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000
Trade and other payables	29,579	29,798	26,845	2,953	–
Lease liabilities	11,155	11,874	6,191	3,614	2,069
Bank and other borrowings (note)	6,129	6,519	3,466	1,356	1,697
	46,863	48,191	36,502	7,923	3,766

Note: Certain borrowings are classified as current liabilities in the consolidated statement of financial position as they will be repaid upon demand, according to the demand clause of the relevant loan agreement. The above information reflects the repayment schedules in accordance with the relevant agreement.

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(C) INTEREST RATE RISK

The Group's interest rate risk arises primarily from cash and cash equivalents, bank and other borrowings, payables for purchase of property, plant and equipment and lease liabilities. Borrowings issued at fixed rate and variable rates expose the Group to fair value interest rate risk and cash flow interest rate risk respectively. The Group's interest rate profile as monitored by management is set out below.

(i) Interest rate profile

The following table details the interest rate profile of the Group's interest-earning financial assets and interest-bearing financial liabilities at the end of the reporting period.

	2025 Effective interest rate %	**2025** HK$'000	2024 Effective interest rate %	2024 HK$'000
Fixed rate (borrowings)/deposits:				
Lease liabilities	**5.00–6.27**	**(10,167)**	5.25–6.13	(11,155)
Bank loans	**4.88–6.38**	**(4,507)**	5.13	(4,064)
Other borrowings	**6.93–7.00**	**(34,296)**	–	–
Obligation arising from sale and leaseback transaction	**5.88**	**(3,599)**	5.50	(2,065)
Payables for purchase of property, plant and equipment	**N/A**	**–**	5.00–6.00	(9,962)
		(52,569)		(27,246)
Variable rate deposits:				
Cash and cash equivalents	**0.01–0.25**	**12,372**	0.15–0.20	13,288
Net borrowings		**(40,197)**		(13,958)

(ii) Sensitivity analysis

As at 31 March 2025 and 2024, it is estimated that a general increase/decrease of 10 basis points in interest rates, with all other variables held constant, would have no significant impact on the Group's loss after tax and retained profits for the year.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 10 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next annual reporting period. The analysis is performed on the same basis for 2024.

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(D) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which the transaction relate. The currency giving rise to this risk is primarily Renminbi ("**RMB**"), Euro ("**EUR**") and United States dollars ("**USD**"). The Group does not hold or issue material derivative financial instruments for trading purposes or to hedge against fluctuations in foreign exchange rates, but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The following table details the Group's exposure at the end of the reporting period to foreign currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the end of the reporting period.

	2025 Denominated in			2024 Denominated in		
	RMB HK$'000	**EUR HK$'000**	**USD HK$'000**	RMB HK$'000	EUR HK$'000	USD HK$'000
Cash and cash equivalents	**159**	**310**	**687**	42	2,607	196
Trade and other payables	**–**	**–**	**(221)**	(4,030)	(9,962)	(223)
Net exposure	**159**	**310**	**466**	(3,988)	(7,355)	(27)

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(D) FOREIGN CURRENCY RISK *(Continued)*

	2025			2024		
	Increase/ (decrease) in foreign exchange rates	**(Decrease)/ increase in loss after tax HK$'000**	**Increase/ (decrease) in retained profits HK$'000**	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in loss after tax HK$'000	(Decrease/ increase) in retained profits HK$'000
EUR	**5%**	**(13)**	**13**	5%	307	(307)
	(5%)	**13**	**(13)**	(5%)	(307)	307
USD	**5%**	**(19)**	**19**	5%	1	(1)
	(5%)	**19**	**(19)**	(5%)	(1)	1
RMB	**5%**	**(7)**	**7**	5%	166	(166)
	(5%)	**7**	**(7)**	(5%)	(166)	166

The sensitivity analysis of the Group's exposure to foreign currency risk at the end of the year has been determined based on the assumed percentage changes in foreign exchange rates taking place at the beginning of the financial year and held constant throughout the year. The assumed changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next reporting date.

A reasonable change in foreign exchange rates for RMB, EUR and USD in the next twelve months is assessed to result in immaterial change in the Group's loss after tax, retained profits and other components of equity.

Exposures to foreign exchange rates vary during the year depending on the volume of transactions denominated in foreign currency. Nevertheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

(E) CATEGORIES OF FINANCIAL INSTRUMENTS

	2025 HK$'000	2024 HK$'000
Financial assets		
Financial assets measured at amortised cost	**40,692**	37,555
Financial liabilities		
Financial liabilities measured at amortised cost	**65,889**	46,863

(F) FAIR VALUE MEASUREMENT

The carrying amounts of financial instruments carried at cost or amortised cost are not materially different from their fair values at 31 March 2025 and 2024.

25 CASH FLOW INFORMATION

The table below details changes in the Group's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities HK$'000 (note 18)	Bank loans HK$'000 (note 20)	Obligation arising from sale and leaseback transaction HK$'000 (note 20)	Other borrowings HK$'000 (note 20)	Interest-bearing payables for purchase of property, plant and equipment HK$'000 (note 17)	Total HK$'000
At 1 April 2023	7,955	6,851	4,690	–	11,617	31,113
Changes from financing cash flows:						
Increase in interest-bearing payables for purchase of property, plant and equipment	–	–	–	–	4,344	4,344
Repayments for interest-bearing payables for purchase of property, plant and equipment	–	–	–	–	(5,999)	(5,999)
Repayments of bank loans	–	(2,787)	–	–	–	(2,787)
Capital element of lease rentals paid	(5,166)	–	–	–	–	(5,166)
Interest element of lease rentals paid	(411)	–	–	–	–	(411)
Repayments for obligations arising from sale and leaseback transaction	–	–	(2,625)	–	–	(2,625)
Interest paid	–	(253)	(193)	–	(604)	(1,050)
Total changes from financing cash flows	(5,577)	(3,040)	(2,818)	–	(2,259)	(13,694)
Other changes:						
Increase in lease liabilities from entering into new leases during the year	8,366	–	–	–	–	8,366
Interest expenses (note 5(a))	411	253	193	–	604	1,461
Total other changes	8,777	253	193	–	604	9,827
At 31 March 2024	11,155	4,064	2,065	–	9,962	27,246

25 CASH FLOW INFORMATION *(Continued)*

	Lease liabilities HK$'000 (note 18)	Bank loans HK$'000 (note 20)	Obligation arising from sale and leaseback transaction HK$'000 (note 20)	Other borrowings HK$'000 (note 20)	Interest-bearing payables for purchase of property, plant and equipment HK$'000 (note 17)	Total HK$'000
At 31 March 2024 and 1 April 2024	**11,155**	**4,064**	**2,065**	**–**	**9,962**	**27,246**
Changes from financing cash flows:						
Repayments for interest-bearing payables for purchase of property, plant and equipment	–	–	–	–	(9,962)	(9,962)
Capital element of lease rentals paid	(5,704)	–	–	–	–	(5,704)
Interest element of lease rentals paid	(487)	–	–	–	–	(487)
Proceeds from bank loans	–	2,000	–	–	–	2,000
Repayment of bank loans	–	(1,557)	–	–	–	(1,557)
Proceeds from other borrowings	–	–	–	36,762	–	36,762
Repayment of other borrowings	–	–	–	(2,466)	–	(2,466)
Proceeds from borrowings for obligations arising from sale and leaseback transaction	–	–	4,329	–	–	4,329
Repayments for obligations arising from sale and leaseback transaction	–	–	(2,795)	–	–	(2,795)
Interest paid	–	(275)	(246)	(861)	(44)	(1,426)
Total changes from financing cash flows	(6,191)	168	1,288	33,435	(10,006)	18,694
Other changes:						
Increase in lease liabilities from entering into new leases during the year	4,716	–	–	–	–	4,716
Interest expenses (note 5(a))	487	275	246	861	44	1,913
Total other changes	5,203	275	246	861	44	6,629
At 31 March 2025	**10,167**	**4,507**	**3,599**	**34,296**	**–**	**52,569**

26 CONTINGENT LIABILITIES

In addition to those disclosed in note 20, as at 31 March 2025, the Company issued corporate guarantee to a subsidiary in respect of the plant and machinery under lease arrangement at 5.12%–5.18% per annum (2024: 5.12%–5.18%) with the carrying amount of approximately HK$987,000 (2024: HK$3,695,000).

27 COMMITMENTS

Capital commitments outstanding at 31 March 2024 and 2025 not provided for in the consolidated financial statements were as follows:

	2025 **HK$'000**	2024 HK$'000
Contracted for	**8,628**	37,731

28 MATERIAL RELATED PARTY TRANSACTIONS

(A) REMUNERATION FOR KEY MANAGEMENT PERSONNEL OF THE GROUP, INCLUDING AMOUNTS PAID TO THE COMPANY'S DIRECTORS AS DISCLOSED IN NOTE 7, IS AS FOLLOWS:

	2025 **HK$'000**	2024 HK$'000
Directors' fees	**–**	–
Salaries, allowances and benefits in kind	**10,760**	13,560
Long service payment expense	**21**	–
Retirement scheme contributions	**18**	18
	10,799	13,578

Total remuneration is included in "staff costs" (see note 5(b)).

(B) RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Saved as disclosed above and elsewhere in these consolidated financial statements, the Group did not have any material related party transactions during the years ended 31 March 2025 and 2024.

(Expressed in Hong Kong dollars)

29 SUBSIDIARIES

Details of the subsidiaries as at 31 March 2025 and 2024 are as follows:

Name of company	Place of incorporation and kind of legal entity	Place of operation	Particulars of issued and paid-up share capital/ registered capital	Proportion of Group's ownership interest		Principal activities
				2025	2024	
Directly held by the Company						
Trend Novel Limited	BVI, limited liability company	Hong Kong	1 share of US$1	**100%**	100%	Investment holding
Indirectly held by the Company						
Hing Ming Gondola (HK) Company Limited	Hong Kong, limited liability company	Hong Kong	6,000,000 shares (HK$6,000,000)	**100%**	100%	Trading, installation and renting of suspended working platforms and other construction equipment
Hing Ming Equipment Company Limited	Hong Kong, limited liability company	Hong Kong	1 share (HK$1)	**100%**	100%	Trading, installation and renting of construction equipment
Hing Ming Construction Equipment Company Limited	Hong Kong, limited liability company	Hong Kong	1 share (HK$1)	**100%**	100%	Construction consulting and project management

30 FINANCIAL INFORMATION OF THE COMPANY

(A) STATEMENT OF FINANCIAL POSITION

	2025 HK$'000	2024 HK$'000
Non-current asset		
Investments in subsidiaries	**–**	–
Current assets		
Prepayments	**118**	113
Cash and cash equivalents	**492**	48
Amounts due from subsidiaries	**57,220**	57,139
	57,830	57,300
Current liabilities		
Other payables	**268**	1,048
Amounts due to subsidiaries	**49,028**	36,654
	49,296	37,702
Net current assets	**8,534**	19,598
Non-current liability		
Provision for long service payments	**21**	–
NET ASSETS	**8,513**	19,598
CAPITAL AND RESERVES		
Share capital	**3,760**	3,760
Reserves	**4,753**	15,838
TOTAL EQUITY	**8,513**	19,598

30 FINANCIAL INFORMATION OF THE COMPANY *(Continued)*

(B) DETAILS OF CHANGES IN THE COMPANY'S RESERVES DURING THE YEAR:

	Share premium HK$'000 (note 23(c)(i))	**Accumulated losses** HK$'000	**Total** HK$'000
Balance at 1 April 2023	57,801	(26,748)	31,053
Loss and total comprehensive expense for the year	–	(15,215)	(15,215)
Balance at 31 March 2024 and at 1 April 2024	57,801	(41,963)	15,838
Loss and total comprehensive expense for the year	–	(11,085)	(11,085)
Balance at 31 March 2025	57,801	(53,048)	4,753

31 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

(I) USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different to previously estimated, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(II) LOSS ALLOWANCES FOR TRADE AND OTHER RECEIVABLES

The Group estimates the loss allowances for trade and other receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast economic conditions at the end of the reporting period. Where the estimation is different from the previous estimate, such difference will affect the carrying amounts of trade and other receivables and thus the impairment loss in the period in which such estimate is changed.

(III) IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS)

Property, plant and equipment (including right-of-use assets) are stated at cost less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount; in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; in case of fair value less cost of disposal, the expected future selling price base on recent transaction price; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rate or the growth rates in the cash flow projections, could materially affect the net present value used in the impairment test.

(Expressed in Hong Kong dollars)

31 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

(III) IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS) *(Continued)*

As at 31 March 2025, the net book value of property, plant and equipment (including right-of-use assets) is approximately HK$139,080,000 (2024: HK$138,482,000), after taking into account the impairment loss of approximately HK$9,081,000 (2024: HK$Nil) recognised for the year. Details of the impairment of property, plant and equipment (including right-of-use assets) are disclosed in Note 12.

32 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

NEW AND 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 as issued by the Hong Kong Institute of Certified Public Accountants ("**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 and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

Impact on application of amendments HKFRS 16 Lease — Lease liability in a sale and leaseback

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on the consolidated financial statements.

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

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

(Expressed in Hong Kong dollars)

32 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(Continued)*

NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR *(Continued)*

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

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

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

32 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(Continued)*

NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE *(Continued)*

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

FIVE YEARS' FINANCIAL SUMMARY

	2025 **HK$'000**	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
RESULTS					
Revenue	**106,063**	107,813	98,235	75,441	52,365
(Loss)/profit before taxation	**(24,887)**	428	4,304	(1,772)	8,504
Income tax credit/(expense)	**186**	(996)	(1,935)	(1,263)	(3,925)
Loss and total comprehensive expense for the year	**(24,701)**	(568)	2,369	(3,035)	4,579
ASSETS AND LIABILITIES					
Total assets	**183,685**	181,131	178,662	178,896	142,460
Total liabilities	**(91,494)**	(64,239)	(61,202)	(57,542)	(18,071)
	92,191	116,892	117,460	121,354	124,389