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## **ABLE ENGINEERING HOLDINGS LIMITED**

### **安保工程控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1627)**

## **ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Able Engineering Holdings Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively as the “**Group**”) for the year ended 31 March 2025, together with comparative figures for the previous year as follows:

### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*Year ended 31 March*

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	<b>2024</b> <i>HK\$'000</i>
<b>REVENUE</b>	5	<b>7,968,813</b>	5,511,537
Cost of sales		<u>(7,386,316)</u>	<u>(5,187,993)</u>
Gross profit		<b>582,497</b>	323,544
Other income and gains	5	<b>49,275</b>	49,357
Administrative expenses		<b>(88,121)</b>	(87,707)
Impairment on property, plant and equipment	7	<b>(199,043)</b>	–
Finance costs	6	<b>(29,049)</b>	(34,761)
Share of profits and losses of joint ventures		<b>785</b>	184
Share of profits and losses of associates		<u><b>1,593</b></u>	<u>–</u>
<b>PROFIT BEFORE TAX</b>	7	<b>317,937</b>	250,617
Income tax expense	8	<u><b>(89,375)</b></u>	<u>(45,728)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>228,562</b></u>	<u>204,889</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)**

*Year ended 31 March*

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
<b>PROFIT FOR THE YEAR</b>		<u><b>228,562</b></u>	<u>204,889</u>
<b>OTHER COMPREHENSIVE LOSS</b>			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of a subsidiary and associates		<u><b>(11,063)</b></u>	<u>(7,597)</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR</b>		<u><b>(11,063)</b></u>	<u>(7,597)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>217,499</b></u>	<u>197,292</u>
<b>Profit for the year attributable to owners of the parent</b>		<u><b>228,562</b></u>	<u>204,889</u>
<b>Total comprehensive income for the year attributable to owners of the parent</b>		<u><b>217,499</b></u>	<u>197,292</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted ( <i>HK cents</i> )	<i>10</i>	<u><b>11.43</b></u>	<u>10.24</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 March*

		<b>2025</b>	2024
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>1,788,769</b>	1,612,720
Intangible asset		<b>25,000</b>	25,000
Investment in joint ventures		<b>69,593</b>	78,808
Investment in associates		<b>1,510</b>	–
Financial assets at fair value through profit or loss		<b>11,852</b>	11,665
		<hr/>	<hr/>
Total non-current assets		<b>1,896,724</b>	1,728,193
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Accounts receivable	<i>11</i>	<b>245,964</b>	75,755
Contract assets	<i>12</i>	<b>1,248,021</b>	814,160
Prepayments, other receivables and other assets		<b>146,338</b>	193,413
Tax recoverable		<b>514</b>	1,504
Restricted cash		–	14,704
Cash and cash equivalents		<b>1,741,032</b>	2,077,918
		<hr/>	<hr/>
Total current assets		<b>3,381,869</b>	3,177,454
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Accounts payable	<i>13</i>	<b>1,998,882</b>	1,074,198
Tax payable		<b>57,571</b>	9,117
Other payables, accruals and contract liabilities		<b>1,462,571</b>	1,716,194
Interest-bearing bank loans		<b>6,008</b>	486,700
		<hr/>	<hr/>
Total current liabilities		<b>3,525,032</b>	3,286,209
		<hr/>	<hr/>
<b>NET CURRENT LIABILITIES</b>		<b>(143,163)</b>	(108,755)
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,753,561</b>	1,619,438
		<hr/>	<hr/>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)***As at 31 March*

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Other payables		<b>16,094</b>	–
Deferred tax liabilities		<u><b>2,402</b></u>	<u>1,872</u>
Total non-current liabilities		<u><b>18,496</b></u>	<u>1,872</u>
<b>Net assets</b>		<u><b>1,735,065</b></u>	<u>1,617,566</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	<i>14</i>	<b>20,000</b>	20,000
Reserves		<u><b>1,715,065</b></u>	<u>1,597,566</u>
<b>Total equity</b>		<u><b>1,735,065</b></u>	<u>1,617,566</u>

## NOTES

### 1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands and its shares are publicly traded on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office address of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The principal place of business of the Company is located at No. 155 Waterloo Road, Kowloon Tong, Kowloon, Hong Kong.

During the year ended 31 March 2025, the Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in building construction, repair, maintenance, alteration and addition (“**RMAA**”) works, piling works and sales of prefabricated construction units in Hong Kong.

In the opinion of the Directors of the Company (the “**Directors**”), Golden Lux Holdings Limited, a company incorporated in the British Virgin Islands (“**BVI**”), is the immediate holding company of the Company; and the ultimate holding company of the Company is Golden More Limited, a company incorporated in the BVI.

### 2. ACCOUNTING POLICIES

#### 2.1 Basis of presentation

The financial results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31 March 2025 but are extracted from those consolidated financial statements.

In preparing the consolidated financial statements, the Directors of the Company have given due consideration to the future liquidity of the Group in light of the fact that the Group’s current liabilities exceeded its current assets by HK\$143,163,000 as at 31 March 2025.

In the opinion of the Directors of the Company, the liquidity of the Group is well managed with the sources of finance available. The Group has unutilised revolving loan facilities of HK\$1,176,400,000 as at 31 March 2025. After taking into account the cash flow projection prepared by the management which cover a period of not less than twelve months from 31 March 2025, the Directors of the Company consider that the Group will have adequate funds available to enable it to operate as a going concern. Accordingly, the consolidated financial statements for the year ended 31 March 2025 have been prepared on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group’s assets to their recoverable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The consolidated financial statements do not include any adjustments that would result from the failure of the Group to continue in business as a going concern.

## 2.2 Basis of preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for life insurance policies which have been measured at fair value. They are presented in Hong Kong dollars (“**HK\$**”), and all values are rounded to the nearest thousand (“**HK\$’000**”) except when otherwise indicated.

### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “ <b>2020 Amendments</b> ”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “ <b>2022 Amendments</b> ”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised HKFRS Accounting Standards that are applicable to the Group are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 April 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

#### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment which is the construction segment. The construction segment engages in contract works, acting as a main contractor or sub-contractor, primarily in respect of building construction, RMAA works, piling works and supply of prefabricated construction units. Accordingly, no segment information is presented. Further details of the Group's revenue from building construction, RMAA works, piling works and supply of prefabricated construction units are set out in note 5.

The Group's revenue from external customers was derived solely from its operations in Hong Kong.

##### Geographical information

###### (a) Revenue from external customers

	2025 HK\$'000	2024 HK\$'000
Hong Kong	<u>7,968,813</u>	<u>5,511,537</u>

The revenue information of continuing operations above is based on the geographical locations of the customers.

###### (b) Non-current assets

	2025 HK\$'000	2024 HK\$'000
Hong Kong	1,559,033	1,383,926
Chinese Mainland	<u>325,839</u>	<u>332,602</u>
Total non-current assets	<u>1,884,872</u>	<u>1,716,528</u>

The non-current asset information above is based on the geographical locations of the assets and excludes financial instruments.

##### Information about major customers

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

	2025 HK\$'000	2024 HK\$'000
Customer A	2,867,456	1,922,560
Customer B	<u>4,376,331</u>	<u>2,815,158</u>

Except for the aforesaid, no revenue from any other single customers accounted for 10% or more of the Group's revenue.



## 5. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers		
Contract works for building construction	7,639,346	5,406,064
Contract works for RMAA works	156,817	39,520
Contract works for piling works	37,880	–
Sales of prefabricated construction units	134,770	65,953
Total	<u>7,968,813</u>	<u>5,511,537</u>

An analysis of the Group's other income and gains is as follows:

	2025 HK\$'000	2024 HK\$'000
Interest income	45,107	47,411
Government subsidies	1,125	1,315
Fair value gain on financial assets at fair value through profit or loss	187	287
Exchange differences, net	2,788	170
Others	68	174
Total	<u>49,275</u>	<u>49,357</u>

## 6. FINANCE COSTS

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

	2025 HK\$'000	2024 HK\$'000
Interest on bank loans	24,536	34,296
Interest on lease liabilities	4,513	465
Total	<u>29,049</u>	<u>34,761</u>

## 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of sales		
Contract costs	7,164,850	5,133,572
Cost of inventories sold	<u>221,466</u>	<u>54,421</u>
	<u>7,386,316</u>	<u>5,187,993</u>
Provision for contract works, net*:		
Additional provision	272,460	410,722
Utilisation/reversal	<u>(695,484)</u>	<u>(186,615)</u>
	<u>(423,024)</u>	<u>224,107</u>
Depreciation of owned assets*	9,831	8,488
Depreciation of right-of-use assets*	119,008	65,220
Auditor's remuneration	2,788	2,768
Employee benefit expense (excluding Directors' remuneration)*:		
Wages and salaries	331,969	225,732
Pension scheme contributions (defined contribution schemes)**	<u>8,756</u>	<u>6,255</u>
	<u>340,725</u>	<u>231,987</u>
Lease payments not included in the measurement of lease liabilities*	53,679	35,575
Write-off of property, plant and equipment	–	296
Impairment on property, plant and equipment	199,043	–
Government subsidies***	<u>(1,125)</u>	<u>(1,315)</u>

\* For the year ended 31 March 2025, depreciation of owned assets, right-of-use assets, employee benefit expense, net utilisation of contract works, and lease payments not included in the measurement of lease liabilities of HK\$8,239,000 (2024: HK\$7,523,000), HK\$74,756,000 (2024: HK\$20,994,000), HK\$336,568,000 (2024: HK\$224,803,000), HK\$423,024,000 (2024: net provision for HK\$224,107,000) and HK\$50,558,000 (2024: HK\$32,537,000), respectively, are included in cost of sales disclosed above.

\*\* There are no forfeited contributions that may be used by the Group, as the employer, to reduce the existing level of contributions.

\*\*\* Subsidies have been received from the Hong Kong Vocational Training Council and the Construction Industry Council, institutions established by the Government of the Hong Kong Special Administrative Region (“**HKSAR Government**”), for providing time-limited financial support to employers to retain their employees and for providing on-the-job training for graduate engineers and trainees for the years ended 31 March 2025 and 2024, respectively. There were no unfulfilled conditions or contingencies relating to these subsidies.

## 8. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI. Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. A subsidiary operated in the Chinese Mainland is subject to corporate income tax rate of 25% (2024: 25%).

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	92,810	39,720
Current – Chinese Mainland		
(Credit)/charge for the year	(954)	4,116
Overprovision in prior years	(3,355)	–
Deferred tax expense in relation to temporary differences	874	1,892
Total tax charge for the year	<u>89,375</u>	<u>45,728</u>

## 9. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Proposed final dividend – HK6.0 cents (2024: HK5.0 cents) per ordinary share	<u>120,000</u>	<u>100,000</u>

The final dividend proposed subsequent to the end of the reporting period is subject to the approval of the Company’s shareholders at the forthcoming annual general meeting.

## 10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 2,000,000,000 (2024: 2,000,000,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2025 and 2024.

## 11. ACCOUNTS RECEIVABLE

Accounts receivable represented receivables for contract works. The payment terms of contract works receivables are stipulated in the relevant contracts and the payments are normally due within 30 days (2024: 30 days) from the date of issuance of the payment certificate.

Included in accounts receivable are balances with a related company amounting to approximately HK\$15,000,000 (2024: nil), which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of accounts receivable as at the end of the reporting period, based on the payment certificate date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Current to one month	<u>245,964</u>	<u>75,755</u>

The Group has applied the simplified approach to provide for impairment for expected credit losses (“ECL(s)”) prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for impairment of all accounts receivable. To measure the ECLs, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. With the incorporation of forward-looking information in the measurement of ECLs, management considered that the ECL rate for the Group’s accounts receivable is minimal and therefore no provision for impairment of accounts receivable was necessary as at 31 March 2025 and 2024.

## 12. CONTRACT ASSETS

	31 March 2025 HK\$'000	31 March 2024 HK\$'000	1 April 2023 HK\$'000
Contract assets arising from construction contracts:			
Unbilled revenue	661,135	368,620	340,065
Retention receivables	586,886	445,540	488,612
	<u>1,248,021</u>	<u>814,160</u>	<u>828,677</u>

The movements of contract assets are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of the year	814,160	828,677
Addition in contract assets	809,073	467,529
Transfer to accounts receivable	<u>(375,212)</u>	<u>(482,046)</u>
At end of the year	<u>1,248,021</u>	<u>814,160</u>

Unbilled revenue included in contract assets represents the Group's right to receive consideration for the work performed and not yet certified by customers because the rights are conditional upon the quality and quantity check by the customers on the construction work performed by the Group and the work is pending for the payment certification by the customers. Contract assets regarding unbilled revenue are transferred to accounts receivable when the rights become unconditional, which is typically at the time the Group obtains the payment certification of the performed construction work from the customers.

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

The increase in contract assets as at 31 March 2025 was mainly due to increase in the ongoing provision of construction services and decrease in contract assets as at 31 March 2024 was mainly due to the transfer of contract assets to accounts receivable during the prior year.

Among the above contract assets, HK\$263,063,000 as at 31 March 2025 (2024: HK\$200,149,000) are expected to be recovered after twelve months from the end of the reporting period.

The Group has applied the simplified approach to provide for impairment for ECLs prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for impairment of all contract assets. To measure the ECLs, contract assets have been grouped based on shared credit risk characteristics and the days past due. With the incorporation of forward-looking information in the measurement of ECLs, management considered that the ECL rate for the Group's contract assets is minimal and therefore no provision for impairment of contract assets was necessary as at 31 March 2025 and 2024.

The Group assigned its financial benefits under certain contract works to secure certain general banking facilities granted to members of the Group, and as at 31 March 2025, the aggregate amounts of unbilled revenue and retention receivables related to such contract works pledged to secure the relevant banking facilities were HK\$20,078,000 (2024: HK\$164,210,000) and HK\$1,583,000 (2024: HK\$50,679,000), respectively.

### 13. ACCOUNTS PAYABLE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within three months	1,042,107	587,731
Four to six months	375,671	160,645
Over six months	<u>581,104</u>	<u>325,822</u>
	<u><b>1,998,882</b></u>	<u><b>1,074,198</b></u>

Included in accounts payable are balances with a related company amounting to approximately HK\$489,307,000 (2024: HK\$303,871,000), which are unsecured, interest free and repayable in accordance with the terms of the relevant agreement.

At 31 March 2025, retention payables included in accounts payable amounted to HK\$388,942,000 (2024: HK\$284,193,000), which are non-interest-bearing and are normally settled within terms ranging from one to four years.

Other than retention payables, accounts payable are non-interest-bearing and are normally settled within 60 days from the date of invoice or payment certificate date.

### 14. SHARE CAPITAL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Authorised:</i>		
10,000,000,000 ordinary shares of HK\$0.01 each	<u><b>100,000</b></u>	<u>100,000</u>
<i>Issued and fully paid:</i>		
2,000,000,000 ordinary shares of HK\$0.01 each	<u><b>20,000</b></u>	<u>20,000</u>

There was no movement in the Company's share capital during the year.

## 15. CONTINGENT LIABILITIES

- (a) As at 31 March 2025, the guarantees given by the Group to certain banks in respect of performance bonds in favour of certain customers of contract works amounted to HK\$563,367,000 (2024: HK\$492,210,000).

(b) **Claims**

(i) *Personal injuries*

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

(ii) *Sub-contractors' claims*

In the ordinary course of the Group's construction business, the Group has been subject to various claims from sub-contractors from time to time. Provision would be made for claims when management assessed and can reasonably estimate the probable outcome of the claims. No provision would be made for claims when the claims cannot be reasonably estimated or management believes that the probability of loss is not probable.

## 16. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Contracted, but not provided for:		
Construction in progress for property, plant and equipment	<u>2,292</u>	<u>339,279</u>

## PERFORMANCE

During the year under review, the Group was engaged as a main contractor in building construction works in Hong Kong. As of 31 March 2025, the Group's substantial contracts on hand were mainly related to building construction works from the public sector.

For the year ended 31 March 2025, the Group's revenue amounted to HK\$7,968,813,000, representing an increase of 44.6% from HK\$5,511,537,000 for the year ended 31 March 2024. Profit for the year ended 31 March 2025 and 31 March 2024 amounted to HK\$228,562,000 and HK\$204,889,000 respectively, representing an increase of 11.6% during the year. The profit for the year was not increasing at the same pace as the revenue recorded for the year ended 31 March 2025 was mainly resulting from the downward adjustments of the property market in Hong Kong, the Group recorded a impairment loss of HK\$199,043,000 of a leasehold land. Excluding the impact of the impairment loss, the profit for the year was amounted to HK\$427,605,000, representing an increase of 108.7% compared with the profit for the year ended 31 March 2024. The basic and diluted earnings per share for the year was HK11.43 cents (2024: HK10.24 cents).

The net assets value attributable to owners of the parent of the Company as at 31 March 2025 amounted to HK\$1,735,065,000 (approximately HK\$0.87 per share), representing an increase of 7.3% from HK\$1,617,566,000 (approximately HK\$0.81 per share) as at 31 March 2024.

## DIVIDEND

The Board recommended the payment of a final dividend of HK6.0 cents (2024: HK5.0 cents) per ordinary share of the Company for the year ended 31 March 2025 to the shareholders whose names appear on the register of members of the Company on 5 September 2025, Friday. The proposed payment of the final dividend is subject to the approval of the Company's shareholders (the "**Shareholder(s)**") at the forthcoming 2025 annual general meeting ("**AGM**") of the Company and has not been recognised as a liability as at 31 March 2025.

Based on the 2,000,000,000 ordinary shares of the Company in issue as of the date of this announcement, the total final dividend amounted to HK\$120,000,000.



## **AGM AND CLOSURE OF REGISTER OF SHAREHOLDERS**

The 2025 AGM of the Company will be held in Hong Kong on 28 August 2025, Thursday. Notice of the AGM will be issued and disseminated to the shareholders in due course.

To determine the entitlement to attend and vote at the 2025 AGM, the register of shareholders of the Company will be closed from 25 August 2025, Monday, to 28 August 2025, Thursday, (both days inclusive), during which period no transfer of shares of the Company (the “**Shares**”) will be registered. In order to qualify for attending and voting at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 pm on 22 August 2025, Friday.

## **DIVIDEND PAYMENT AND CLOSURE OF REGISTER OF SHAREHOLDERS**

Assuming that the final dividend recommended by the Board is approved by the Shareholders at the forthcoming AGM, for the purpose of ascertaining the entitlement to the final dividend, the register of shareholders of the Company will be closed from 3 September 2025, Wednesday to 5 September 2025, Friday (both days inclusive). During the closure period, no transfer of shares will be registered. In order to qualify for the final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on 2 September 2025, Tuesday. It is expected that the final dividend will be payable to those entitled shareholders on or before 26 September 2025, Friday.

## **BUSINESS REVIEW**

### **Market Review**

Supported by the HKSAR Government’s commitment in increasing in supply for the number of public housing units, the construction of Light Public Housing Units and the commencement of large-scale infrastructure projects such as “The Northern Metropolis”, tendering opportunities of construction contracts from the public sector in the coming years will be sustainable and stable.

## **The Group's performance**

For the year ended 31 March 2025, the Group's revenue amounted to HK\$7,968,813,000 (2024: HK\$5,511,537,000), representing an increase of 44.6% from that of last year. The increase in revenue was primarily attributed to the progress of the projects as scheduled.

The Group's overall gross profit margin increased from 5.9% for the year ended 31 March 2024 to 7.3% for the year ended 31 March 2025. The increase was primarily attributed to the completion of a few projects, where the economic benefits expected to be received exceeded the estimated cost to complete certain contract works, and therefore, a reversal of provision for contract works for certain projects was recorded. In addition, under the adoption of HKFRS 15 *Revenue from Contracts with Customers*, the gross profit margins of the Group's individual contract works projects over different reporting periods would not remain constant at the overall gross profit margin of that project but would fluctuate over different reporting periods, depending on the actual revenue certified and costs incurred for the specific construction works performed during the period.

## **Other Income and Gains**

Other income and gains mainly attributed from interest income from banks. During the year under review, the Group recorded other income and gains of approximately HK\$49,275,000 for the year ended 31 March 2025, which was broadly unchanged compared to HK\$49,357,000 for the year ended 31 March 2024.

## **Administrative Expenses**

Administrative expenses increased from HK\$87,707,000 for the year ended 31 March 2024 to HK\$88,121,000 for the year ended 31 March 2025. The increase in administrative expenses in the year was mainly due to an increase in directors' bonuses.

## **Impairment on Property, Plant and Equipment**

Due to downward adjustments of the property market in Hong Kong, the Group recorded a impairment loss of HK\$199,043,000 (2024: nil) for the year ended 31 March 2025 in respect of the leasehold land of an office building under construction.

## **Finance Costs**

The Group's finance costs decreased from HK\$34,761,000 for the year ended 31 March 2024 to HK\$29,049,000 for the year ended 31 March 2025. The decrease in finance costs by 16.4% was mainly benefiting from repayment of a term loan during the year.

## **Share of Profits and Losses of Joint Ventures**

The share of profits of joint ventures amounted to HK\$785,000 for the year ended 31 March 2025 (2024: HK\$184,000), which was solely arisen from the share of results of Gold Victory Resources Inc. and its subsidiaries of which the Group has 50% equity interest.

## **Share of Profits and Losses of Associates**

The share of profits of associates amounted to HK\$1,593,000 (2024: nil) for the year ended 31 March 2025 representing a net result of 50% equity interest shared from Synergy Materials Limited and its subsidiaries.

## **Income Tax Expense**

Income tax expense increased from HK\$45,728,000 for the year ended 31 March 2024 to HK\$89,375,000 for the year ended 31 March 2025. The tax expenses increased by 95.4% while profit before tax increased by 26.9%, the discrepancy was mainly due to a non-deductible impairment loss of approximately HK\$199,043,000 was recognised for the year ended 31 March 2025.

## **Profit Attributable to Owners of the Parent**

As a result of the foregoing, profit attributable to owners of the parent of the Company increased by 11.6% from HK\$204,889,000 for the year ended 31 March 2024 to HK\$228,562,000 for the year ended 31 March 2025.

## **PROSPECTS**

According to the 2025-26 Budget, the HKSAR Government has identified sufficient land for meeting the supply target of 308,000 public housing units over the next 10 years. When combined with Light Public Housing, the total public housing supply over the next five years will reach 190,000 units, which is about 80% higher than in the first five-year period of the current government term.

The HKSAR Government is actively taking forward the development of the Northern Metropolis which covers the Yuen Long District and North District, including new towns in Tin Shui Wai, Yuen Long and Fanling/Sheung Shui, various New Development Areas in different planning and development stages and their neighboring areas, with a total area of 30,000 hectares (about one third of the total area of Hong Kong). The Large New Development Areas such as Kwu Tung North/Fanling North, Hung Shui Kiu/Ha Tsuen, Yuen Long South, San Tin Technopole (including the Hong Kong-Shenzhen Innovation and Technology Park in the Loop) are under construction. Additionally, relevant planning studies for new land development projects, including New Territories North New Town, Ngau Tam Mei, Lau Fau Shan and Ma Tso Lung area, are in progress.

These initiatives underscore a highly promising medium to long-term outlook for the construction industry in Hong Kong. The HKSAR Government's proactive approach to addressing housing demands and expediting construction processes demonstrates its commitment to meeting public housing needs and ensuring sustainable urban development. These efforts will drive growth, enhance stability and foster a positive future for the construction sector.

The Group will benefit from the HKSAR Government's policies and is expected to have more opportunities to secure public works and housing projects in the coming years.

## **FINANCIAL REVIEW**

### **Capital Structure, Liquidity and Financial Resources**

The capital of the Company only comprises ordinary shares. The Group mainly rely on its internally generated capital and bank borrowings to finance its business. The total equity of the Group as at 31 March 2025 was HK\$1,735,065,000 (31 March 2024: HK\$1,617,566,000).

The Group monitors capital structure using net gearing ratio, which is measured as interest-bearing bank loans less cash and bank balances, divided by equity attributable to owners of the parent of the Company. As at 31 March 2025, the Group's net gearing ratio was nil (31 March 2024: nil).

The Group's cash and cash equivalents decreased by 16.2% from HK\$2,077,918,000 as at 31 March 2024 to HK\$1,741,032,000 at 31 March 2025 was mainly due to repayment of a term loan. The current ratio maintained steadily at 0.96 as at 31 March 2025 (31 March 2024: 0.97). The result of current ratio was primarily due to redevelopment of the site at No.7 Lai Yip Street, Kwun Tong, Kowloon, Hong Kong (the "Site"), certain amount of cash were consumed. However, the Board considers the current ratio to be at a healthy level, especially given the Group's net cash position. Current ratio is measured at total current assets divided by total current liabilities.

The Group's banking facilities, comprising primarily bank loans, bank overdrafts and performance bonds, amounted to HK\$2,124,200,000 as of 31 March 2025 (31 March 2024: HK\$2,421,200,000), of which HK\$1,554,825,000 (31 March 2024: HK\$1,442,290,000) was unutilised.

### **Interest and Foreign Exchange Exposure**

At 31 March 2025 and 31 March 2024, the Group's bank borrowings were all denominated in Hong Kong dollars and on a floating rate basis. The Group's bank accounts were mainly operated with principal bankers in Hong Kong. The interest rates of these bank accounts are determined by reference to the respective banks' offer rates.

The Group mainly operates in Hong Kong and Chinese Mainland. Entities within the Group are exposed to foreign exchange risk arising from future commercial transactions and monetary assets and liabilities denominated in a currency that is not the entities' functional currency.

For the years ended 31 March 2025 and 31 March 2024, the Group did not engage in any interest rates and currency hedging or speculation activities. The Group closely monitors and manages its exposure to foreign exchange fluctuations and will consider engaging relevant hedging arrangement when appropriate.

### **Property, plant and equipment**

The property, plant and equipment amounted to HK\$1,788,769,000 as of 31 March 2025 (31 March 2024: HK\$1,612,720,000). The increase in property, plant and equipment was mainly due to the construction cost incurred for the redevelopment of the Site during the year.

### **Financial Assets at Fair Value through Profit or Loss**

The balance represented the cash values of life insurance policies acquired for an Executive Director and a senior management of the Group at respective years end.

## **Accounts Receivable**

The Group's accounts receivable represented the receivables for contract works in relation to completed or on-going contract works projects. Accounts receivable represents progress billing of work performed and the progress payment certificates issued by and received from our customers. The level of accounts receivable is principally affected by our work progress and the amount of the progress payment certificate certified by and received from our customers up to the end of the financial period. 100% of the accounts receivable as at 31 March 2025 was subsequently settled by 13 May 2025 (31 March 2024: approximately 100% was subsequently settled by 14 June 2024).

## **Contract Assets**

As at 31 March 2025, the contract assets mainly represented retention receivables of HK\$586,886,000 (31 March 2024: HK\$445,540,000) and unbilled revenue of HK\$661,135,000 (31 March 2024: HK\$368,620,000). Retention receivables represented the retention monies required by customers to secure our Group's due performance of the contracts.

## **Prepayments, Other Receivables and Other Assets**

As at 31 March 2025, the prepayments, other receivables and other assets mainly represented the prepaid insurance for contract works projects, construction waste disposal deposits and rental and utilities deposit. The decrease in prepayments, other receivables and other assets was mainly due to the repayment of loan to a joint operation partner during the year.

## **Other Payables and Accruals**

As of 31 March 2025, the current and non-current balances of other payables and accruals amounted to HK\$1,462,571,000 (31 March 2024: HK\$1,716,194,000) and HK\$16,094,000 (31 March 2024: nil), respectively, which mainly represented provision for contract works costs, staff costs payable, construction costs payable of the Site and the lease liabilities recognised. The decrease in other payables and accruals during the year was mainly due to the decrease in provision for contract works costs of HK\$423,024,000. The decrease was primarily attributed to the completion of a few projects, where the economic benefits is probable, and therefore, a reversal of provision for contract works for certain projects was recorded.

## **Charges on Assets**

As at 31 March 2025, the Group's bank loans with an aggregate carrying amount of HK\$6,008,000 (2024: HK\$2,700,000) were secured by the assignment of the Group's financial benefits under certain contract work, which include unbilled revenue and retention receivables of HK\$20,078,000 (2024: HK\$164,210,000) and HK\$1,583,000 (2024: HK\$50,679,000), respectively.

As at 31 March 2025, the Group's bank loans with an aggregate carrying amounts of HK\$6,008,000 (2024: HK\$2,700,000) were secured by certain deposits accounts maintained with the relevant banks as continuing security for the obligations of the Group.

As at 31 March 2025 and 2024, the Group's property, plant and equipment with an aggregate carrying amount of HK\$1,340,000,000 (2024: HK\$1,235,822,000), the equity interest of a subsidiary of the Group and the floating charge over all the assets and undertakings of a subsidiary of the Group, were pledged to secure a bank facility granted to the Group. During the year ended 31 March 2025, the relevant bank loan was fully repaid and the bank facility was expired, but the related pledge has not been released, subject to administrative procedures.

## **Contingent liabilities**

Details of the Group's contingent liabilities are set out in note 15 to this announcement.

## **Capital commitments**

Details of the Group's capital commitments are set out in note 16 to this announcement.

## **SIGNIFICANT INVESTMENT HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS ON CAPITAL ASSETS**

The Group did not have any significant investment plan held as at 31 March 2025. The Group is currently investigating and evaluating different investment opportunities.

## **EMPLOYEES AND REMUNERATION POLICY**

As of 31 March 2025, the Group employed about 630 full-time employees (31 March 2024: 468) in Hong Kong and Chinese Mainland. The Group remunerates its employees based on their performance and work experience and with reference to the prevailing market conditions. On top of the regular remuneration, discretionary bonus and share options may be granted to senior management and staff members by reference to the Group's performance, specific project's performance as well as the individual employee's performance. Staff benefits include mandatory provident fund, medical insurance, incentive travel, subsidies for education and training programmes, etc..

At the AGM of the Company held on 31 August 2018, the adoption of a share option scheme (the “**Scheme**”) was considered and approved. The purposes of the Scheme are to provide incentives for the directors and fulltime employees of the members of the Group to work towards enhancing the value of the Company and its Shares for benefit of the Company and its shareholders as a whole. The Scheme provides the Group with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to participants of the Scheme. From the date of adoption of the Scheme and up to 31 March 2025, the Company did not grant any share options under the Scheme and no equity-settled share option expense was charged to the profit or loss.

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2025.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

In the opinion of the Directors, the Company complied with the code provisions as set out in the “Corporate Governance Code” contained in Appendix C1 of the Listing Rules throughout the year ended 31 March 2025.



## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix C3 of the Listing Rules (the “**Model Code**”) as the code of conduct regarding the Directors’ securities transactions. Following specific enquiry made by the Company, the Directors have confirmed that they had complied with the required standards set out in the Model Code throughout the year ended 31 March 2025.

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in this announcement have been agreed by the Company’s external auditor, Ernst & Young (“**EY**”), to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by EY on this announcement.

## **AUDIT COMMITTEE’S REVIEW**

At the date of approval of this announcement, the Audit Committee comprises five independent non-executive Directors of the Company, including Mr. MONG Chan (*Chairman*), Prof. KO Jan Ming, Dr. LEE Man Piu Albert, Dr. LI Yok Sheung and Ms. MAK Suk Hing, with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. Mr. MONG Chan possesses the appropriate accounting qualifications and experiences in financial matters. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control, risk management and financial reporting matters. The Audit Committee has reviewed the Group’s consolidated financial statements for the year ended 31 March 2025.

## **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND DESPATCH OF ANNUAL REPORT**

The annual results announcement is published on the websites of HKExnews at <http://www.hkexnews.hk> and the Company at <http://www.ableeng.com.hk>. The Company’s 2024/2025 annual report containing all the information required by the Listing Rules will be despatched to the Shareholders and be available on the above websites in due course.

## **APPRECIATION**

On behalf of the Board, I would like to extend our gratitude and sincere appreciation to all management and employees of the Group for their hard work and dedication, as well as to all shareholders for their continuous support.

By Order of the Board  
**ABLE ENGINEERING HOLDINGS LIMITED**  
**YAU Kwok Fai**  
*Chairman*

Hong Kong, 26 June 2025

*As at the date of this announcement, the Board comprises the following Directors:*

*Executive Directors*

Mr. YAU Kwok Fai (*Chairman*)  
Mr. LEE Hang Wing James (*CEO*)

*Independent Non-executive Directors*

Prof. KO Jan Ming  
Dr. LEE Man Piu Albert  
Dr. LI Yok Sheung  
Ms. MAK Suk Hing  
Mr. MONG Chan