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G&M Holdings Limited 信越控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6038)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Revenue	429,312	496,631
Gross profit	114,456	106,908
Profit before income tax	55,928	67,806
Profit for the year	43,190	56,958
Basic earnings per share (HK cents)	4.3	5.7
Diluted earnings per share (HK cents)	4.3	5.7

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of G & M Holdings Limited (the “**Company**”) is pleased to present the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024 (the “**Year 2024**”), together with the comparative figures for the corresponding year ended 31 December 2023 (the “**Year 2023**”).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	5	429,312	496,631
Cost of revenue		<u>(314,856)</u>	<u>(389,723)</u>
Gross profit		114,456	106,908
Other income, gains and losses	6	11,652	5,797
Administrative and other operating expenses		(36,618)	(43,978)
Impairment loss on trade and retention receivables and contract assets		(3,544)	–
Impairment loss on deposit paid for acquisition of a mining right	12	(29,363)	–
Fair value gain/(loss) on financial assets at fair value through profit or loss		82	(208)
Finance costs		<u>(737)</u>	<u>(713)</u>
Profit before income tax	7	55,928	67,806
Income tax expense	8	<u>(12,738)</u>	<u>(10,803)</u>
Profit for the year		43,190	57,003
Other comprehensive income for the year			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising from translating foreign operation		<u>(50)</u>	<u>(45)</u>
Total comprehensive income for the year		<u>43,140</u>	<u>56,958</u>
Profit for the year attributable to owners of the Company		<u>43,190</u>	<u>57,003</u>
Total comprehensive income for the year attributable to owners of the Company		<u>43,140</u>	<u>56,958</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	10		
– Basic		<u>4.3</u>	<u>5.7</u>
– Diluted		<u>4.3</u>	<u>5.7</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		3,347	3,223
Deposits		–	1,266
Right-of-use assets		2,832	4,984
Deposit paid for acquisition of a mining right	12	–	29,363
		<u>6,179</u>	<u>38,836</u>
Current assets			
Inventories		1,020	989
Contract assets		80,917	77,419
Trade and other receivables, deposits and prepayments	11	64,833	117,864
Financial assets at fair value through profit or loss		886	804
Time deposits with original maturity over three months		112,626	192,988
Cash and bank balances		222,715	55,939
		<u>482,997</u>	<u>446,003</u>
Current liabilities			
Contract liabilities		137,154	98,541
Trade and other payables	13	69,715	55,552
Lease liabilities		3,058	3,107
Tax payable		2,057	11,398
		<u>211,984</u>	<u>168,598</u>
Net current assets		<u>271,013</u>	<u>277,405</u>
Total assets less current liabilities		<u>277,192</u>	<u>316,241</u>
Non-current liabilities			
Lease liabilities		202	2,674
Net assets		<u>276,990</u>	<u>313,567</u>
CAPITAL AND RESERVES			
Share capital	14	10,030	10,000
Reserves		266,960	303,567
Total equity		<u>276,990</u>	<u>313,567</u>

NOTES

1. GENERAL INFORMATION

G & M Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 29 November 2016. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. Its principal place of business is located at 11/F, Magnet Place Tower 1, 77-81 Container Port Road, Kwai Chung, New Territories, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred hereafter as the “**Group**”) is principally engaged in provision of one-stop design and build solutions as well as repair and maintenance services in relation to podium facade and curtain wall works in Hong Kong.

The Company’s parent is Luxury Booming Limited (“**Luxury Booming**”), a limited liability company incorporated in the British Virgin Islands (the “**BVI**”). In the opinion of the directors, Luxury Booming is also the ultimate parent of the Company.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

It should be noted that accounting estimates and assumptions are used in the preparation of these financial statements. Although these estimates and assumptions are based on management’s best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates and assumptions.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the respective accounting policies.

Amounts are rounded to the nearest thousands, unless otherwise stated.

(c) Functional and presentation currencies

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

3. CHANGES IN ACCOUNTING POLICIES

(a) Adoption of amendments to HKFRSs – effective on 1 January 2024

In the current year, the Group has applied for the first time the following amendments and interpretations issued by the HKICPA, which are effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2024:

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

The adoption of the above amendments to HKFRSs that are effective for the current reporting period did not have any significant impact on the Group's consolidated financial statements.

(b) New or amendments to HKFRSs that have been issued but are not yet effective

The following new or amendments to HKFRSs which are potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

Amendments to HKAS 21 and HKFRS 1 Amendments to HKFRS 9 and HKFRS 7	Lack of Exchangeability ¹ Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – dependent Electricity ²
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10, and HKAS 7 HKFRS 18	Annual Improvements to HKFRS Accounting Standards – Volume 11 ² Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

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

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

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

⁴ No mandatory effective date yet determined but available for adoption.

The Group is currently assessing the impact of these new and revised HKFRSs. Except for the below, these new and revised HKFRSs are preliminary assessed and are not expected to have any significant impact on the Group's consolidated financial statements.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements* (“**HKAS 1**”). While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (“**HKAS 8**”), which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

The adoption of HKFRS 19 is optional. HKFRS 19 specifies the disclosure requirements that an entity is permitted to apply to substitute the disclosure requirements in other HKFRS Accounting Standards. The Company's shares are listed and traded in The Stock Exchange of Hong Kong Limited. Therefore, it has public accountability according to HKFRS 19 and does not qualify for electing to apply the standard to prepare its financial statements.

4. SEGMENT INFORMATION

(a) Operating segment information

The Group has only one reportable operating segment, which is provision of one-stop design and build solutions as well as repair and maintenance services in relation to podium façade and curtain wall works in Hong Kong (the “**Construction Business**”). The information reported to the executive directors of the Company, who are the chief operating decision makers of the Group for the purposes of resources allocation and assessment of performance, is the financial information of the Group as a whole as reported under HKFRSs. Such information does not contain profit or loss information of particular product or service line or geographical area. The executive directors allocate resources and assess performance of the business of the Group on an aggregated basis.

On 23 June 2023, the Group entered into agreement to acquire from a Mongolian Company an exclusive mining right for a coal mine in Mongolia. This new business segment has not yet contributed revenue to the Group and incurred immaterial expenses for the year except for the impairment loss of HK\$ 29,363,000 recognised during the year. The completion of the acquisition of the mining right was not yet taken place as at 31 December 2024 as further detailed in note 12. Accordingly, consistent with last year, the Group’s revenue and operating results for the year are attributable to the Construction Business.

The Group operates in Hong Kong and the PRC. All of the Group’s revenue for the current year and prior year was derived in Hong Kong (place of domicile) whereas approximately 90% (2023: 97%) of the Group’s non-current assets as at 31 December 2024 are located in Hong Kong. Accordingly, no separate segmental analysis is presented.

(b) Information about major customers

Revenue from major customers, each of them accounted for 10% or more of the Group’s revenue, are set out below:

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Customer I	269,962	137,610
Customer II	<u>48,384</u>	<u>339,204</u>

5. REVENUE

The Group is principally engaged in the provision of one-stop design and build solutions as well as repair and maintenance services in relation to podium facade and curtain wall works in Hong Kong. Revenue derived from the Group's principal activities comprises of the followings:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Design and build projects		
– Podium facade and related works	404,506	476,251
– Curtain wall works	<u>157</u>	<u>1,283</u>
	404,663	477,534
Repair and maintenance services	<u>24,649</u>	<u>19,097</u>
	<u><u>429,312</u></u>	<u><u>496,631</u></u>

6. OTHER INCOME, GAINS AND LOSSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	10,576	5,358
Dividend income from financial assets at fair value through profit or loss	25	25
Government grants (<i>Note</i>)	1,266	–
Exchange (losses)/gains, net	(236)	41
Others	<u>21</u>	<u>373</u>
	<u><u>11,652</u></u>	<u><u>5,797</u></u>

Note:

Government grants for year ended 31 December 2024 included subsidies of HK\$1,266,000 from Construction Innovation and Technology Fund for adoption of innovative construction methods and new technologies. As at 31 December 2024, the Group complied with the requirements set out under the subsidies. The government grants were received as compensation for expenses already incurred and were recognised as other income. There were no unfulfilled conditions attached to the government grants.

7. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration	720	760
Cost of inventories recognised as expense [#]	137,036	158,092
Depreciation		
– Property, plant and equipment*	1,403	1,469
– Right-of-use assets: properties and machinery leased for own use*	2,921	2,919
	4,324	4,388
Employee benefit expenses (including directors' emoluments)		
– Salaries, allowances and other benefits	70,407	69,324
– Contributions to defined contribution retirement plans [@]	1,281	1,307
	71,688	70,631
Impairment loss on:		
– Contract assets	3,057	–
– Trade receivables	441	–
– Retention receivables	46	–
	3,544	–
Short-term leases expenses	<u>5,110</u>	<u>3,859</u>

[#] Included in cost of revenue

^{*} Included in administrative and other operating expenses

[@] For the year ended 31 December 2024, no forfeited contribution in respect of the defined contribution retirement plans were utilised by the Group to reduce the contribution payable to the plans (2023: nil). As at 31 December 2024, no forfeited contribution under these plans is available to reduce future contribution (31 December 2023: nil).

8. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of comprehensive income represents:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong Profits Tax		
– Current tax for the year	12,819	10,904
– Over-provision in respect of prior years	<u>(87)</u>	<u>(104)</u>
	12,732	10,800
PRC Enterprise Income Tax		
– Current tax for the year	<u>6</u>	<u>3</u>
	<u>12,738</u>	<u>10,803</u>

The Company and its Hong Kong incorporated subsidiaries are subject to Hong Kong Profits Tax, which is calculated at tax rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Company which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

For the years ended 31 December 2024 and 2023, the PRC subsidiary of the Company was eligible to be classified as small enterprise by the local bureau and the corresponding assessable profits are taxed at progressive rate. The first Renminbi (“RMB”) 1,000,000 assessable profit is taxed at 5% and assessable profit above RMB1,000,000 but less than RMB3,000,000 is taxed at 10%.

9. DIVIDENDS

(a) Dividends payable to owners of the Company attributable to the year

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interim dividend declared and paid of HK2.0 cents (2023: HK1.5 cents) per share	20,060	15,000
Special dividend declared and paid of HK4.0 cents per share	40,120	–
Proposed final dividend of nil (2023: HK2.0 cents) per share	<u>–</u>	<u>20,000</u>
	<u>60,180</u>	<u>35,000</u>

(b) **Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the year**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Final dividend in respect of previous financial year, approved and paid during the year of HK2.0 cents (2023: HK1.8 cents) per share	<u>20,020</u>	<u>18,000</u>

10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Earnings		
Profit for the year attributable to owners of the Company	<u>43,190</u>	<u>57,003</u>
	<i>'000</i>	<i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	1,001,227	1,000,000
Effect of dilutive potential ordinary shares – Share options	<u>226</u>	<u>168</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>1,001,453</u>	<u>1,000,168</u>

For the purpose of calculating diluted earnings per share for the year ended 31 December 2023 and 2024, the weighted average number of ordinary shares had been adjusted for the dilutive effect arising from the share options issued.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current		
Refundable rental deposits	—	1,266
Current		
Trade receivables (<i>note (a)</i>)	51,697	99,587
Less: Loss allowance (<i>note (b)</i>)	(520)	(79)
Trade receivables, net (<i>note (a)</i>)	51,177	99,508
Retention receivables	1,700	1,857
Less: Loss allowance (<i>note (b)</i>)	(68)	(22)
Retention receivables, net	1,632	1,835
Deposits and prepayments	12,024	16,521
	<u>64,833</u>	<u>117,864</u>

Notes:

(a) Trade receivables

The credit period granted to customers ranged from 20 to 60 days.

The ageing analysis of the trade receivables (net of loss allowance), based on invoice date, as at the end of the reporting period is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	42,543	87,742
31–60 days	1,244	216
61–90 days	1,568	1,645
Over 90 days but less than 1 year	1,240	4,607
Over 1 year	4,582	5,298
	<u>51,177</u>	<u>99,508</u>

(b) Loss allowance for impairment on trade and retention receivables

The movements in the loss allowance for impairment on trade and retention receivables are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At the beginning of the year	101	101
Impairment loss recognised	<u>487</u>	<u>–</u>
At the end of the year	<u><u>588</u></u>	<u><u>101</u></u>

12. DEPOSIT PAID FOR ACQUISITION OF A MINING RIGHT

On 23 June 2023, G&M Contracting Limited (“GMC”), a subsidiary, entered into an agreement (the “**Exclusive Right Agreement**”) with a Mongolian company whereby GMC has the exclusive right to exploit a coal mine, namely “Bayantaliin uurhai” located in Mongolia and owned by the Mongolian company (the “**Mine Owner**”), and to purchase the coal mined therefrom. The consideration for fulfilment of the Exclusive Right Agreement is RMB27,000,000 (equivalent to HK\$29,363,000) which was fully paid as at 31 December 2023 and was to be accounted for as an intangible asset upon completion of the transaction. Pursuant to the supplementary agreement signed subsequently on 12 July 2023, the completion (the “**Completion**”) of the transactions contemplated under the Exclusive Right Agreement (the “**Acquisition**”) is conditional upon the fulfilment (or wavier) of certain conditions precedent, some of which were not yet fulfilled as at 31 December 2023. The Exclusive Right Agreement together with the supplementary agreement form the contract (“**Contract**”) of the Acquisition. In the opinion of the directors, the Completion had not yet taken place as at 31 December 2023 due to the mining licence for the coal mine had not been registered with the relevant government authority in Mongolia. The consideration paid was classified as deposit paid for acquisition of a mining right and is measured at cost less impairment as at 31 December 2023.

The directors have monitored the registration process and maintained communication with the representative of the Mine Owner and noted that the mining licence for the coal mine has still not yet been registered with the Mongolian Government and the equity interest in the Mine Owner has been transferred to a third party with whom the Group is trying to establish a dialogue so as to pursue its interests. The directors considered that the Mine Owner has defaulted the Contract. In response to this, the Group is considering to engage legal advisor to pursue for specific performance of the terms of the Contract.

Based on the legal advice, the directors have assessed that the legal proceedings are likely to be protracted and involve significant uncertainties. In the event the Group cannot successfully enforce the Contract to obtain the mining licence, it would need to recover the deposit paid and associated cost from the Mine Owner. However, there is no assurance such recovery action would be successful either. The directors, having considered all relevant facts and circumstances as well as the legal advice, are of the view that in the absence of the mining licence, the Group is unable to substantiate the expected future economic benefits over the remaining useful life of the asset. Consequently, an impairment loss of HK\$29,363,000, representing the full provision for the consideration paid, has been recognised in the consolidated financial statements for the current year.

13. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables (<i>note</i>)	38,467	22,985
Retention payables	10,686	13,708
Accruals and other payables	<u>20,562</u>	<u>18,859</u>
	<u><u>69,715</u></u>	<u><u>55,552</u></u>

Note:

The credit period granted by the suppliers and subcontractors is normally 0 to 60 days.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	27,252	16,364
31–60 days	6,698	4,504
61–90 days	2,536	179
Over 90 days	<u>1,981</u>	<u>1,938</u>
	<u><u>38,467</u></u>	<u><u>22,985</u></u>

14. SHARE CAPITAL

	2024 Number of shares	2024 Amount HK\$'000	2023 Number of shares	2023 Amount HK\$'000
Ordinary share of HK\$0.01 each				
Authorised:				
At the beginning and end of the year	<u>10,000,000,000</u>	<u>100,000</u>	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:				
At the beginning of the year	1,000,000,000	10,000	1,000,000,000	10,000
Shares issued upon exercise of share options (<i>note</i>)	<u>3,000,000</u>	<u>30</u>	—	—
At the end of the year	<u>1,003,000,000</u>	<u>10,030</u>	<u>1,000,000,000</u>	<u>10,000</u>

Note:

During the year, a total of 3,000,000 ordinary shares of the Company were issued as a result of the exercise of 3,000,000 share options granted by the Company at an aggregate consideration of HK\$483,000. As a result of this, the share capital and share premium of the Company has increased by HK\$30,000 and HK\$453,000 respectively. An amount of HK\$123,000 was transferred from the share-based payments reserve to share premium upon the exercise of the share options.

15. GUARANTEES

The Group provided guarantees in respect of the surety bonds issued by the banks in favour of the customers of certain construction contracts. Details of these guarantees at the end of the reporting period are as follows:

	2024 HK\$'000	2023 HK\$'000
Aggregate value of:		
– surety bonds issued in favour of customers	<u>106,962</u>	<u>101,579</u>

The surety bonds are required for the entire period of the relevant construction contracts. As at 31 December 2024, the relevant construction contracts were expected to be completed in year 2025 to 2026 (2023: 2024 to 2025).

As assessed by the directors, it is highly not probable that the counterparties would claim the Group for losses in respect of the guarantee contracts as it is highly unlikely that the Group is unable to fulfill the performance requirements of the relevant contracts.

As at 31 December 2024 and 2023, the surety bonds issued by the banks and granted under banking facilities were secured by the proceeds of a design and build project and the corporate guarantee provided by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

The Group has 30 years history in Hong Kong and provides one-stop design and build solutions and repair and maintenance services in relation to podium facade and curtain wall works in Hong Kong (“**Construction Business**”).

During the Year 2024, the company experienced a decrease in revenue; however, the profit margin improved due to final account adjustments. The implementation of strict expense management and operational efficiency initiatives allowed us to maintain profitability despite a challenging business environment.

Additionally, the market remained highly competitive, with no significant tenders awarded as customers exercised stricter cost control in their procurement decisions. This cautious approach from clients has led to reduced project opportunities, impacting overall revenue this year and more materially in the coming years.

We also observed building contractors previously operating in the PRC market have gradually reached into the Hong Kong market and adopted aggressive low-price bidding strategies to gain market share, resulting in a further intensification of competition within the local construction industry. This has placed pressure on the Group’s tender competitiveness, making it more challenging to secure contracts and thereby impacting business expansion and profit margins.

The Group invested in acquiring a mining right license from a Mongolian company mine owner, in the Year 2023, but the Mine Owner has failed to register, the mining license in favour of the Group in the Year 2024 and until now. As the Mine Owner has failed to fulfill its contractual obligations, the Group has sought legal advice and is actively considering legal action to enforce the contract or to recover the deposit and associated costs.

Looking ahead, the company remains committed to prudent financial management while exploring strategic opportunities to enhance business growth and operational resilience.

Revenue

During the Year 2024, the Group recorded a revenue of approximately HK\$429.3 million, representing a decrease of approximately HK\$67.3 million or 13.6% from that of approximately HK\$496.6 million for the Year 2023. Design and build projects contributed approximately HK\$404.7 million (Year 2023: HK\$477.5 million) of the Group’s total revenue, representing approximately 94.3% (Year 2023: 96.2%) of the Group’s total revenue whereas repair and maintenance services brought in revenue of approximately HK\$24.6 million (Year 2023: HK\$19.1 million), representing 5.7% (Year 2023: 3.8%) of the Group’s total revenue.

Outlook and prospects

The Group's major projects on hand as at 31 December 2024 can be summarised as follows:

No.	Type of works undertaken	Location	Expected completion date	Estimated remaining contract value as at 31 December 2024 <i>HK\$ million</i>
1.	Facade	West Kowloon, Kowloon	Jun 2025	239.4
2.	Facade	Sha Tin, New Territories	Oct 2025	<u>22.9</u>
				<u><u>262.3</u></u>

Subsequent to the end of the Year 2024 and up to the date of this announcement, the Group had been awarded a podium facade contract with contract sum of approximately of HK\$19.9 million. Meanwhile, the Group is in the process of bidding for or pending the results of 8 sizeable project tenders with an estimated total contract value of over approximately HK\$600.9 million, which comprised 5 podium facade projects with an estimated contract value of approximately HK\$247.7 million and 3 curtain wall projects with an estimated contract value of approximately HK\$353.2 million.

In light of the current market conditions, the limited availability of large-scale construction projects and our projects on hands be substantially completed by August 2025, apart from the design and build projects, the Group will strategically place greater emphasis on repair and maintenance works to diversify our project portfolio, maintain a steady revenue stream, and strengthen our presence in the public and private sectors. By focusing on smaller but more consistent opportunities, the Group seeks to enhance resource utilisation and improve overall operational stability.

Subsequent to the Group's acquisition of a mining right license in the Year 2023, the project has faced a number of unforeseen challenges, including market downturns, foreign trade policies, and operational difficulties stemming from nonperformance of business partners. Furthermore, given that the partner of a joint venture set up by the Group to undertake the mining operation has failed to fulfill its obligations, the Group is burdened with both additional cash flow, costs, and management and operational duties with the intended mining business. Given the current situation in the Hong Kong construction market, the Group is considering to preserve cash for its core construction business and suspend the mining project.

Gross profit and gross profit margin

The Group's gross profit increased by approximately HK\$7.6 million or 7.1% from approximately HK\$106.9 million for the Year 2023 to approximately HK\$114.5 million for the Year 2024. Gross profit margin of the Group was approximately 26.7% for the Year 2024 as compared with that of approximately 21.5% for the Year 2023. The increase in the gross profit margin was mainly due to the project the final account adjustments in FY2024.

Administrative and other operating expenses

The Group's administrative and other operating expenses decreased by approximately HK\$7.4 million or 16.8% from approximately HK\$44.0 million for the Year 2023 to approximately HK\$36.6 million for the Year 2024. Such decrease was mainly due to the launch of a sizable and iconic project during the year demanded much more attention of the project managers in the communication and collaboration with external parties. Hence a bigger share of their costs were recorded as cost of revenue, while the portion left in the administrative expenses reduced significantly by HK\$6.5 million in the Year 2024.

Income tax expense

The Group's operation is based in Hong Kong which is subject to Hong Kong Profits Tax calculated at 8.25% and 16.5% of the estimated assessable profit under two-tiered profits tax rates regime during the reporting periods.

For the Year 2024, the Group recorded income tax expense of approximately HK\$12.7 million (Year 2023: approximately HK\$10.8 million) representing an effective tax rate of approximately 22.8% (Year 2023: approximately 15.9%). The increase was due to the one-off provision of mining right is not tax deductible.

Profit for the Year

The Group's profit for the Year 2024 amounted to approximately HK\$43.2 million, representing a decrease of approximately HK\$13.8 million or 24.2% as compared to approximately HK\$57.0 million for the Year 2023.

Such decrease was mainly due to the increase in gross profit of approximately HK\$7.6 million as discussed above, increase in other income of approximately HK\$5.9 million which mainly due to the increase in bank interest income by HK\$5.2 million, decrease in administrative and other operation expenses of approximately HK\$7.4 million and net off with the increase in impairment loss of approximately HK\$32.9 million.

Receivable turnover days

The Group's receivable turnover days for the Year 2024 was approximately 64.3 days as compared to approximately 52.8 days for the Year 2023. The Group did not observe any signs of default on any of its trade receivables balance as at 31 December 2024.

Bank borrowings

There is no bank borrowings as at 31 December 2024 and 2023.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's gearing ratio, calculated by dividing bank borrowings by total equity, as at 31 December 2024 was zero as there was no bank borrowings as at 31 December 2024.

The Group's cash and cash equivalents balances as at 31 December 2024 amounted to approximately HK\$222.7 million, representing an increase of approximately HK\$166.8 million as compared to approximately HK\$55.9 million as at 31 December 2023. Such increase was mainly due to the money received from customers and decrease in fixed time deposit that over three months. The Group has placed fixed time deposits that over three months with aggregated amount of HK\$112.6 million (Year 2023: HK\$193.0 million). The interest rates were 4.0% per annum.

The Group had no bank borrowings as at 31 December 2024.

Foreign Exchange

The Group mainly operates in Hong Kong and majority of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong Dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group did not engage in any derivatives contracts to hedge its exposure to foreign exchange risk during the Year 2024.

CAPITAL EXPENDITURES AND COMMITMENTS

As at 31 December 2024, the Group did not have any capital commitments.

SIGNIFICANT INVESTMENTS HELD

The Group had not held any significant investments during the Year 2024.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Year 2024, the Group did not have any material acquisitions and disposal of subsidiaries, associates and joint ventures.

PLEDGE OF ASSETS

As at 31 December 2024 and 2023, there is no pledged assets.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2024.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 106 staff as at 31 December 2024 (31 December 2023: 108 staff) and the total employee benefit expenses for the Year 2024 amounted to approximately HK\$71.7 million (Year 2023: HK\$70.6 million). Such increase was mainly contributed to the increase in average salary per staff. The Group determines the remuneration of its employees based on each employee's qualifications, experience and past performance. The remuneration committee makes recommendations to the Board on the overall remuneration policy and structure for the Directors and senior management. The Group maintains a good relationship with its employees and has not experienced any major labour disputes nor any difficulty in recruiting suitable staff.

EVENTS AFTER THE FINANCIAL YEAR

No event has occurred after 31 December 2024 and up to the date of this announcement which would have a material effect on the Group.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain a high standard of corporate governance and considers that conducting business in an ethical and responsible manner will generate the highest level of benefits to its shareholders and the Group in the long term. The Board will continuously review and improve the Group's corporate governance practices in order to uphold a transparent and effective corporate governance function for the Group.

The Company has adopted the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and has complied with the CG Code during the Year 2024, except in relation to provision C.2.1 of the CG Code which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lee Chi Hung, an executive Director, is both the chairman of the Board and the chief executive officer of the Company. With over 30 years of experience in the construction industry in Hong Kong, Mr. Lee is responsible for the overall management of the Group’s operations and business development and is instrumental to the Group’s growth and business expansion since the establishment in November 1993. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-calibre individuals. The Board currently comprises two executive Directors (including Mr. Lee), one non-executive Director and three independent non-executive Directors and therefore has a strong independence element in its composition.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules and all the Directors confirmed, upon specific enquiry made, that they complied with the Model Code during the Year 2024 and up to the date of this announcement.

FINAL DIVIDEND

The Board takes into account the Group’s overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Board does not recommend the payment of a final dividend for the year ended 31 December 2024.

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

Neither the Company, nor any of its subsidiaries, had purchased, sold or redeemed any of the Company’s listed securities during the Year 2024.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual meeting has a service contract with the Company or any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACT

No 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 the Year 2024.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the minimum public float required under the Listing Rules during the Year 2024 and up to the date of this announcement.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The audit committee of the Company has reviewed the consolidated financial statements of the Group for the Year 2024 and this results announcement.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the Year 2024 as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no opinion or assurance conclusion has been expressed by BDO Limited on this announcement.

By order of the Board of
G & M Holdings Limited
LEE Chi Hung
Chairman and Executive Director

Hong Kong, 25 March 2025

As at the date of this announcement, the Board comprises Mr. Lee Chi Hung and Ms. Lam Suk Yee Patricia as executive Directors; Mr. Leung Ping Kwan as non-executive Director; and Mr. Tai Kwok Leung Alexander, Mr. Kwan Cheuk Kui and Dr. Liu Yuk Shing as independent non-executive Directors.