



K. H. GROUP HOLDINGS LIMITED

劍虹集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock code 股份代號 : 1557

ANNUAL REPORT

年報

2015 / 16



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財務概要

FINANCIAL HIGHLIGHTS

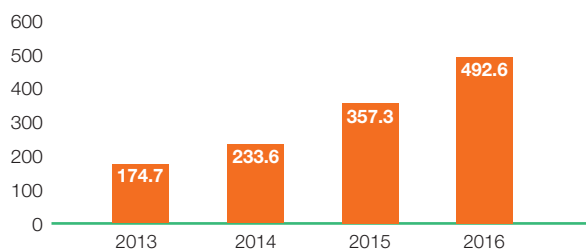
財務摘要

For the year ended 31 March
截至三月三十一日止年度

Revenue

收益

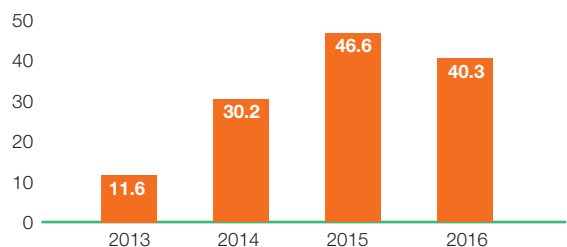
HK\$ in million 百萬港元



Profit Attributable to Shareholders

股東應佔溢利

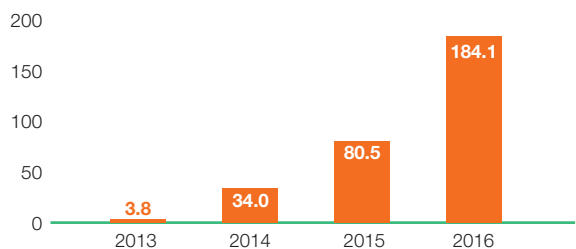
HK\$ in million 百萬港元



Shareholders' Equity

股東權益

HK\$ in million 百萬港元



CORPORATE INFORMATION

公司資料

Board of Directors

Executive Directors

Mr. Yu Shiu Tin Paul (*Chairman*)
Mr. Yeung Sau Ming Boris (*Deputy Managing Director*)
Ms. Chan Lai Kuen

Independent Non-Executive Directors

Mr. Chan Kee Huen Michael
Mr. Cheng Yan Kee
Mr. Cheung Chi Fai Frank
Professor Chung Hung Kwan Barnabas

Company Secretary

Mr. Ho Cheuk Wai

Audit Committee

Mr. Cheung Chi Fai Frank (*Chairman*)
Mr. Chan Kee Huen Michael
Mr. Cheng Yan Kee
Professor Chung Hung Kwan Barnabas

Nomination Committee

Mr. Yu Shiu Tin Paul (*Chairman*)
Mr. Chan Kee Huen Michael
Mr. Cheng Yan Kee
Professor Chung Hung Kwan Barnabas
Mr. Yeung Sau Ming Boris

Remuneration Committee

Mr. Cheng Yan Kee (*Chairman*)
Mr. Cheung Chi Fai Frank
Professor Chung Hung Kwan Barnabas
Ms. Chan Lai Kuen
Mr. Yu Shiu Tin Paul

Registered Office

P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

董事會

執行董事

余嘯天先生(*主席*)
楊秀明先生(*副董事總經理*)
陳麗娟女士

獨立非執行董事

陳記煊先生
鄭恩基先生
張志輝先生
鍾鴻鈞教授

公司秘書

何焯偉先生

審核委員會

張志輝先生(*主席*)
陳記煊先生
鄭恩基先生
鍾鴻鈞教授

提名委員會

余嘯天先生(*主席*)
陳記煊先生
鄭恩基先生
鍾鴻鈞教授
楊秀明先生

薪酬委員會

鄭恩基先生(*主席*)
張志輝先生
鍾鴻鈞教授
陳麗娟女士
余嘯天先生

註冊辦事處

P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

CORPORATE INFORMATION 公司資料

Head Office and Principal Place of Business in Hong Kong

10th Floor, Liven House
61 King Yip Street
Kwun Tong
Kowloon
Hong Kong

Legal Adviser as to Hong Kong Laws

Stephenson Harwood

Compliance Adviser

Ample Capital Limited

Auditor

RSM Hong Kong
Certified Public Accountants

Principal Share Registrar and Transfer Office

Estera Trust (Cayman) Ltd
(Formerly Known as Appleby Trust (Cayman) Ltd.)
P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

香港總部及主要營業地點

香港
九龍
觀塘
敬業街61號
利維大廈10樓

香港法律之法律顧問

羅夏信律師事務所

合規顧問

豐盛融資有限公司

核數師

中瑞岳華(香港)會計師事務所
執業會計師

主要股份過戶登記處

Estera Trust (Cayman) Ltd
(前稱Appleby Trust (Cayman) Ltd.)
P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

CORPORATE INFORMATION 公司資料

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
DBS Bank (Hong Kong) Limited
Dah Sing Bank, Limited

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

Stock Code

01557

Website

www.kh-holdings.com

主要往來銀行

香港上海滙豐銀行有限公司
星展銀行(香港)有限公司
大新銀行有限公司

香港股份過戶登記分處

聯合證券登記有限公司
香港
北角
英皇道338號
華懋交易廣場2期
33樓3301-04室

股份代號

01557

網站

www.kh-holdings.com

CHAIRMAN'S STATEMENT

主席報告



Dear Shareholders,

I am pleased to present our first annual report on behalf of the board (the "Board") of directors (the "Directors") since the public listing of K. H. Group Holdings Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 March 2016 (the "Year").

The shares of the Company were successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 18 March 2016 (the "Listing"). On behalf of the Group, I would like to extend our appreciation to all parties who have helped us build our business over the years as well as to those who helped bring our Company to the Listing of the Stock Exchange.

The Group has more than 30 years experiences in the provision of foundation works and ancillary services in Hong Kong. We are an established contractor with job references both in large scale infrastructure projects and in housing and commercial buildings development in both private and public sectors. The commitment of our strong and dedicated management team to provide quality work and service has played a vital role in building up the Group's reputation for its excellence in expertise and experience.

各位股東：

本人謹代表董事（「董事」）會（「董事會」）欣然提呈自劍虹集團控股有限公司（「本公司」）連同其附屬公司（「本集團」）公開上市後截至二零一六年三月三十一日止年度（「本年度」）首份年報。

本公司股份於二零一六年三月十八日在香港聯合交易所有限公司（「聯交所」）主板成功上市（「上市」）。本人謹代表本集團，向多年來曾協助我們建立業務及協助本公司於聯交所上市的所有人士致以謝意。

本集團於香港提供地基工程及配套服務方面累積逾30年豐富經驗。我們是發展成熟的承建商，曾參與眾多工程，涉及大型基礎設施項目及私營及公營領域的住宅及商用樓宇發展項目。我們設有實力雄厚且竭誠盡力的管理團隊，致力於提供優質工程及服務，對本集團憑藉其超卓的專業知識及廣博經驗建立聲譽擔當關鍵角色。

CHAIRMAN'S STATEMENT 主席報告

As a result of the Government official approval of housing supply targets, urban renewal work plans, expansion of the mass transit railway network, cross boundary infrastructure and the investment involving billions of dollars requires substantial foundation works that will present bright prospects and huge opportunities for the Group. We have recorded a turnover of approximately HK\$492.6 million and net profit of approximately HK\$40.3 million for the year ended 31 March 2016.

The Group plans to continue with its development in Hong Kong in the coming year. We will attempt to widen the market opportunities so as to balance the risks and sustain the profitability. The Group will keep on the improving the effectiveness of construction by expanding the capacity of its own machinery and equipment, which can also help prepare for the rise in wages and tight construction schedule and increase the chance of securing large-scale projects. To meet these challenges, the Group will reinforce its well established position in the market via its reputation, expertise and experienced management. In future, the Board is prudently optimistic towards the prospects of the construction industry market.

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

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

Mr. Yu Shiu Tin Paul
Chairman

Hong Kong, 22 June 2016

由於政府正式批准房屋供應目標、城市更新工程計劃、地鐵網絡擴建、跨境基礎設施及數十億的投資，需要進行龐大地基工程，此舉將會為本集團呈現光明前景和巨大商機。截至二零一六年三月三十一日止年度，我們錄得營業額約492.6百萬港元及純利約40.3百萬港元。

本集團計劃來年繼續於香港發展業務。我們將嘗試擴大市場機遇，從而權衡風險及保持盈利能力。本集團將持續透過擴充其自設機械及設備的產能，以提高建設效率，此舉亦有助本集團準備就緒，應付工資上升及緊迫的建設日程，同時抓緊獲得大型項目的機會提高的契機。為應付此種種挑戰，本集團將透過其聲譽、專業知識及饒富經驗的管理層鞏固本集團穩固的市場地位。未來，董事會對建造業市場的前景持審慎樂觀態度。

本人謹代表董事會藉此機會向股東、客戶及供應商的持續支持，以及向本集團管理團隊及員工過去一年的努力及貢獻衷心致謝。

董事會並不就回顧年度宣派末期股息。

余嘯天先生
主席

香港，二零一六年六月二十二日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Hong Kong Foundation Market Review

In Hong Kong, the foundation industry was supported by increasing expenditure on construction in both the public and private sector. The public expenditure on infrastructure experienced a significant growth from 2010 to 2015. In accordance with the survey result, the estimated gross output value of piling and related foundation works in the foundation industry in Hong Kong grew from approximately HK\$9.9 billion from 2010 to approximately HK\$19.4 billion in 2014 at a CAGR of approximately 18.3%. The increase in public expenditure is mainly due to the Hong Kong Government's commitment to provide more units of housing and infrastructure projects in the coming years. Given that the foundation work such as piling work is to provide base for all types of construction, the foundation industry is supported by the overall growth in the superstructure construction industry.

Business Review

The Group has over 30 years history in the foundation works industry in Hong Kong, undertaking foundation and associated works for the private sector as well as the public sector. With the strengths and advantages of the Group, the management is expanding the Group's business prudently in accordance with the market conditions for the overall best interest to shareholders.

Principal Risks and Uncertainties

Risks and uncertainties other than those outlined below may not be material for the current year but could become material in the future.

(a) Operational Risk

The Group's results of operation may fluctuate or vary significantly from period to period depending on, among other factors, the overall development schedule of the development project(s) undertaken by the Group and the timing of sale and delivery of such development project(s).

Our Group faces the operational risk which will be caused by inadequate and inefficient internal processes, people and systems. Our Directors are in charge of determining the overall operational risk control framework, developing and producing policies and procedures to control the operational risks. Our senior management is responsible for implementing the Directors' policy of maintaining adequate documentation and supervision at working floor level. Frequent meetings and classes are held to provide the latest information to our staff.

香港地基市場回顧

於香港，地基行業由公營及私營領域的不斷增加的建築開支所支持。於二零一零年至二零一五年，有關基建的公共開支大幅增長。根據調查結果，香港地基行業的打樁及相關地基工程的估計總產值從二零一零年的約99億港元增長至二零一四年的約194億港元，複合年增長率約為18.3%。公共開支增加主要由於香港政府承諾於未來數年提供更多住宅單位及基建項目所致。鑒於地基工程（例如樁柱工程）為所有種類建築提供地基，地基行業由上層架構建造行業的整體增長所支持。

業務回顧

本集團在香港地基工程行業擁有逾30年歷史，為私營領域及公營領域進行地基及相關工程。憑藉本集團的優點及優勢，管理層正按照市場狀況審慎擴張本集團的業務，為股東帶來整體最佳利益。

主要風險及不明朗因素

下文所概述以外之風險及不明朗因素於本年度並不重大，惟於日後可能屬重大。

(a) 營運風險

本集團的經營業績可能於不同期間因（其中包括其他因素）本集團進行的發展項目的整體發展時間表以及該等發展項目銷售及交付時間而波動或大幅變動。

本集團所面對的營運風險將由內部程序、人手及系統不足及低效率所致。董事負責釐定整體營運風險控制框架、制訂政策及程序控制營運風險。高級管理層實施保留足夠文件之董事政策及由工作層面開始監察。本集團會經常舉行會議及課程以向員工提供最新資訊。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

(b) Market Risk

As a result of the recent argument and prolonged debate in Legislative Council, funding approval for certain public works have been delayed. The construction industry has to face challenges in the suppressed market demand and some of the construction companies started competing on price in the past few months. It is one of the main reasons that the Group finding more difficulties to hit successful tenders from Listing Date to the date of this report. Should the situation not be improved, it will surely give uncertainties and risks to the Group's performance result in the year 2016.

Development of Projects

The Group recorded a profit attributable to the equity holders of the Company for the Year of approximately HK\$40.3 million (2015: approximately HK\$46.6 million). It represented a decrease in the profit by approximately 13.5% as compared to that of the year of 2015.

During the financial year ended 31 March 2016, the following projects were undertaken and contributed revenue to the Group:

| Location of project 項目位置 | Project type 項目類型 | Type of works 工程類型 | Status 狀況 |
|---|----------------------|--|--------------------------|
| Tai Po, New Territories 新界大埔 | Private 私人 | Foundations works 地基工程 | Completed 已竣工 |
| Hong Kong Island South, Hong Kong 香港香港島南 | Private 私人 | Foundations works and ELS works 地基工程及ELS工程 | Work in Progress 在建工程 |
| Lantau Island, New Territories 新界大嶼山 | Public 公共 | Foundations works 地基工程 | Work in Progress 在建工程 |
| Sai Kung, New Territories 新界西貢 | Private 私人 | Foundation works, ELS works and pile caps 地基工程、ELS工程及樁帽 | Completed 已竣工 |
| Central Kowloon 中九龍 | Private 私人 | Foundation works, ELS works and pile caps 地基工程、ELS工程及樁帽 | Work in Progress 在建工程 |
| Lantau Island, New Territories 新界大嶼山 | Private 私人 | Foundations works and ELS works 地基工程及ELS工程 | Work in Progress 在建工程 |
| West Kowloon 西九龍 | Private 私人 | Foundations works 地基工程 | Work in Progress 在建工程 |
| East Kowloon 東九龍 | Public 公共 | Foundations works 地基工程 | Work in Progress 在建工程 |

(b) 市場風險

由於近期於立法會之爭論及冗長的辯論，若干公共工程之撥款審批受阻。建造業在緊縮的市場需求下面臨挑戰。若干建築公司在過去數月已開始進行價格競爭。此乃本集團於上市日期至本報告日期成功投標愈見困難的主要原因之一。倘情況未獲改善，必會為本集團於二零一六年之表現業績帶來不明朗因素及風險。

項目發展

於本年度，本集團錄得本公司權益持有人應佔溢利約40.3百萬港元（二零一五年：約46.6百萬港元）。溢利較二零一五年下降約13.5%。

於截至二零一六年三月三十一日止財政年度，已進行並為本集團貢獻收益的項目如下：

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

The revenue attributable from the foundation projects was approximately HK\$492.6 million during the year ended 31 March 2016 (2015: approximately HK\$357.3 million). During the Year, the Group has completed 2 construction projects. 5 new projects were awarded during the Year, in which 2 new projects will commence after the Year, with an estimated contract sum of approximately HK\$155.8 million. As at 31 March 2016, the outstanding contract sums of all projects on hand were approximately HK\$174.0 million.

Development of the Group

The Listing was completed during the year under review. The Listing enhances the Group's financial capabilities in business operation, and brings a positive effect on the Group's position and business opportunities in the market.

In line with the plans stated in the Company's prospectus dated 8 March 2016 (the "Prospectus"), additional machinery will be purchased and additional middle to high level employees will be recruited. These will strengthen the competitiveness of the Group.

One of the companies of the Group, K. H. Foundations Limited, has successfully registered as a Site Formation Works Specialist Contractor under Buildings Ordinance in March 2016. This enables the Group to participate more actively in projects with site formation works.

Financial Review

Revenue

Revenue for the year ended 31 March 2016 was mainly contributed by the foundation projects commenced in previous years. The Group's total revenue during the year ended 31 March 2016 was approximately HK\$492.6 million (2015: approximately HK\$357.3 million), representing an increase of approximately 37.9% as compared with last year and is mainly attributable to the achievement of significant progress or the practical completion of these foundation projects for the year ended 31 March 2016.

於截至二零一六年三月三十一日止年度，地基項目佔收益約492.6百萬港元(二零一五年：約357.3百萬港元)。於本年度，本集團已完成2個建築項目。於本年度內獲授估計合約金額為約155.8百萬港元的5個新建築項目，當中2個新項目將於本年度後開展。於二零一六年三月三十一日，手頭上所有未竣工的項目合約金額約為174.0百萬港元。

集團發展

上市已於回顧年度內完成。上市提升本集團於業務營運的財務能力，及對本集團的地位及市場商機帶來正面影響。

為配合本公司日期為二零一六年三月八日之招股章程(「招股章程」)所述的計劃，本集團將購置額外機械及招聘額外中層至高層僱員。上述舉措將增強本集團的競爭力。

本集團公司之一劍虹地基有限公司已成功於二零一六年三月註冊成為建築物條例下之地盤平整工程專門承建商。此讓本集團能更積極參與地盤平整工程項目。

財務回顧

收益

截至二零一六年三月三十一日止年度之收益主要由過往年度開展的地基項目貢獻。於截至二零一六年三月三十一日止年度，本集團的總收益約為492.6百萬港元(二零一五年：約357.3百萬港元)，較去年上升約37.9%，收益上升主要由於該等地基項目於截至二零一六年三月三十一日止年度取得重大進展或已實際竣工所致。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Gross Profit and Gross Profit Margin

The Group's gross profit increased from approximately HK\$70.3 million during the same period in 2015 to approximately HK\$76.7 million during the year under review. In addition, the Group's gross profit margin decreased from approximately 19.7% during the same period in 2015 to approximately 15.6% during the year under review. The decrease of gross profit margin was mainly attributable to (i) additional construction costs were incurred towards the completion stage of certain foundation projects in order to meet the schedule requirements during the year under review; and (ii) the Group commenced certain new foundation projects during the year under review in which the gross profit margin of these new foundation projects are lower than those in previous years. Directors consider that the overall gross profit margin has still been maintained at a healthy position throughout the year.

Administrative Expenses

The Group's administrative expenses were increased from approximately HK\$14.0 million during the same period in 2015 to approximately HK\$28.5 million during the year under review and such increase was mainly attributable to (i) increase in non-recurring Listing expenses of approximately HK\$6.2 million; (ii) increase in staff costs and Directors' remuneration totaling of approximately HK\$2.7 million during the year under review as compared with last year.

Net Profit and Adjusted Net Profit

During the year under review, the Group reported a net profit of approximately HK\$40.3 million (2015: approximately HK\$46.6 million), representing a decrease of approximately 13.5% as compared with the last year. If the non-recurring Listing expenses were eliminated, the Group's adjusted net profit during the year under review would be revised to approximately HK\$49.0 million (2015: approximately HK\$49.1 million), representing a slightly decrease of approximately 0.2%.

Note: the calculation of the adjusted net profit disregards tax effect.

Prospects

The Group expects a steady growth in the construction industry in Hong Kong in view of the Government's policy in increasing land supply for housing and commercial building developments for both private and public sector as well as in infrastructure development plans. Moreover, the Group is considering to apply for inclusion into the registered piling contractor list under the Housing Department in order to enhance the Group's business opportunities.

毛利及毛利率

本集團的毛利由二零一五年同期的約70.3百萬港元上升至回顧年度的約76.7百萬港元。此外，本集團的毛利率由二零一五年同期的約19.7%減少至回顧年度的約15.6%。毛利率下跌主要由於(i)回顧年度若干地基項目邁向完成階段以符合進度要求時產生的額外建築成本；及(ii)本集團於回顧年度開展若干新地基項目，而該等新地基項目之毛利率較過往年度低所致。董事認為，整體毛利率於整個年度一直維持健康狀況。

行政開支

本集團的行政開支由二零一五年同期的約14.0百萬港元增加至回顧年度的約28.5百萬港元，該增加乃主要由於(i)非經常性上市開支增加約6.2百萬港元；(ii)回顧年度的員工成本及董事薪酬較去年合共增加約2.7百萬港元所致。

純利及經調整純利

於回顧年度，本集團錄得純利約40.3百萬港元(二零一五年：約46.6百萬港元)，較去年下跌約13.5%。倘非經常性上市開支予以對銷，本集團於回顧年度的經調整純利將修訂約49.0百萬港元(二零一五年：約49.1百萬港元)，輕微減少約0.2%。

附註：計算經調整純利時並無計及稅務影響。

前景

鑒於政府政策不斷為私營及公營領域的住宅及商用樓宇發展以及基建發展計劃增加土地供應，本集團預期香港的建造業將會穩步增長。此外，本集團現正考慮申請列入房屋署的註冊打樁承建商名單以增加本集團的商機。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

To capture the up-coming business opportunities, the Group will continue to adequately invest to strengthen the machinery force and to upgrade man power. Premised on those competitive edges of the Group, the management is optimistic in achieving a steady growth in business performance. Meanwhile, the Group targets to further enhance the quality and efficiency of both management and site works.

Debts and Charge on Assets

The total interest bearing bank borrowings of the Group, including bank loans and finance leases, increased from approximately HK\$57.6 million as at 31 March 2015 to approximately HK\$74.3 million as at 31 March 2016. These banking facilities were secured by the Group's machinery with total net carrying amounts of approximately HK\$31.0 million (2015: approximately HK\$26.3 million). Borrowings were denominated mainly in Hong Kong Dollars and interest rate of bank borrowings were charged at 2.11%-4.17%. The Group currently does not have an interest rate hedging policy while the Group monitors interest rate risks continuously.

Save as disclosed above, we did not have, at the closure of business on 31 March 2016, any loan capital issued nor any outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, finance lease commitments, guarantees or other material contingent liabilities except those disclosed in note 34 to the consolidated financial statements.

Liquidity, Financial Resources and Capital Structure

The Group has normally funded the liquidity and capital requirements primarily through capital contributions from the shareholders, bank borrowings and net cash generated from the operating activities.

As at 31 March 2016, the Group had pledged bank deposits and bank and cash balances of approximately HK\$83.6 million (2015: approximately HK\$27.7 million). The gearing ratio of the Group as at 31 March 2016 (defined as the total borrowings divided by total equity) was approximately 40.4% (2015: approximately 91.5%). As at 31 March 2016, the current ratio of the Group was approximately 2.0 (2015: approximately 1.2).

The financial resources presently available to the Group include bank borrowings and the net proceeds of the share offer, and we have sufficient working capital for our future requirements. During the year, the Group has not employed any financial instrument for hedging purposes.

為捕捉即將湧現的商機，本集團將繼續適當投資於加強機械裝置及提升人力資源。憑藉本集團的競爭優勢，管理層對業務表現達致穩定增長感到樂觀。同時，本集團以進一步加強管理層及地盤工程的質素及效率為目標。

債務及資產押記

本集團的計息銀行借款總額(包括銀行貸款及融資租賃)由二零一五年三月三十一日的約57.6百萬港元增加至二零一六年三月三十一日的約74.3百萬港元。此等銀行融資以本集團賬面淨值總額約31.0百萬港元(二零一五年：約26.3百萬港元)的機械作抵押。借款主要以港元計值，而銀行借款按2.11%-4.17%之利率計息。本集團目前並無利率對沖政策，且本集團持續監察利率風險。

除上文披露者外，於二零一六年三月三十一日營業時間結束時，我們並無已發行及任何發行在外或同意發行的任何貸款資本、銀行透支、貸款或其他類似債務、承兌負債或承兌信用、債權證、按揭、押記、融資租賃承擔、擔保或綜合財務報表附註34所披露以外之其他重大或然負債。

流動資金、財務資源及資本架構

本集團通常主要透過股東注資、銀行借款及經營活動所得現金淨額撥付流動資金及資本需求所需。

於二零一六年三月三十一日，本集團持有已抵押銀行存款及銀行及現金結餘約83.6百萬港元(二零一五年：約27.7百萬港元)。於二零一六年三月三十一日，本集團的資產負債比率(定義為借款總額除以權益總額)約40.4%(二零一五年：約91.5%)。於二零一六年三月三十一日，本集團的流動比率約2.0(二零一五年：約1.2)。

本集團現時可動用的財務資源，包括銀行借款及股份發售的所得款項淨額，且我們具有足夠營運資金以應付我們未來的需求。於本年度，本集團並無採用任何作對沖用途的金融工具。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Use of Net Proceeds from the Listing

As disclosed in the Prospectus, the Group intends to apply the net proceeds from the share offer, after deducting related underwriter fees and listing expenses, of approximately HK\$77.1 million as follows:

- approximately HK\$30.9 million or approximately 40% of the net proceeds will be used for the operation of prospective projects;
- approximately HK\$15.4 million or approximately 20% of the net proceeds will be used for the hiring of additional staff;
- approximately HK\$23.1 million or approximately 30% of the net proceeds will be used for the purchase of machinery and equipments; and
- approximately HK\$7.7 million or approximately 10% of the net proceeds will be used as the general working capital of our Group.

During the period from Listing Date to 31 March 2016, the Group spent approximately HK\$3.3 million for the operation of projects and approximately HK\$5.4 million in general working capital and placed the remaining net proceeds of approximately HK\$68.4 million in the bank.

Foreign Exchange Exposure

The Group has a minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities, Hong Kong dollars. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

上市所得款項淨額用途

承如招股章程所披露，本集團擬將股份發售所得款項淨額（經扣除與股份發售有關的相關包銷費及上市開支）約77.1百萬港元作以下用途：

- 約30.9百萬港元或所得款項淨額約40%將用作經營未來項目；
- 約15.4百萬港元或所得款項淨額約20%將用作增聘員工；
- 約23.1百萬港元或所得款項淨額約30%將用作購買機械及設備；及
- 約7.7百萬港元或所得款項淨額約10%將用作本集團的一般營運資金。

於上市日期至二零一六年三月三十一日期間，本集團已動用約3.3百萬港元作經營項目及約5.4百萬港元作一般營運資金，而餘下所得款項淨額約68.4百萬港元已存入銀行。

外匯風險

由於大部分業務交易、資產及負債主要以本集團實體的功能貨幣港元計值，故本集團承受的外匯風險已減至最低。本集團目前並無就外幣交易、資產及負債設立外匯對沖政策。本集團嚴密監察其外匯風險，並將於需要時考慮對沖重大外匯風險。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Significant Investment, Material Acquisition and Disposal of Subsidiaries and Associated Companies

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 July 2015. The Group completed the group reorganisation on 25 January 2016 (the "Group Reorganisation") in preparation for the Listing pursuant in which the Company became the ultimate holding company of our Group. Details of the Group Reorganisation are set out in the note 2 to the consolidated financial statements. Apart from the reorganisation in relation to the Listing, there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 March 2016.

Capital Commitments

As at 31 March 2016, the Group has capital commitments of approximately HK\$3.0 million (2015: approximately HK\$3.1 million) contracted to purchase of plant and equipment.

Lease Commitments

As at 31 March 2016, the total future minimum lease payments under non-cancellable operating leases are payable within one year is approximately HK\$0.9 million (2015: approximately HK\$1.4 million within one year and approximately HK\$0.9 million in the second to fifth years inclusive respectively).

Operating lease payments mainly represent rentals payable by the Group for certain of its office and warehouses. Leases are negotiated for an average term of two years and rentals are fixed over the lease terms and do not include contingent rentals.

Contingent Liabilities

- (a) As at 31 March 2016, the Group has provided guarantees to an insurance company on performance bonds for construction contracts amounting to approximately HK\$19.2 million (2015: approximately HK\$41.8 million).
- (b) During the year ended 31 March 2016, a subcontractor claimed against the Group for certain construction work. The Group and the subcontractor agree to resolve their disputes by arbitration or by other means of dispute resolution. The Group assessed the maximum liability on the claim that will affect the profit or loss would be HK\$7,734,000.

附屬公司及聯營公司的重大投資、重大收購及出售事項

本公司於二零一五年七月二十三日在開曼群島註冊成立為獲豁免有限公司。為籌備上市，本集團於二零一六年一月二十五日完成集團重組（「集團重組」），據此，本公司成為本集團的最終控股公司。有關集團重組的詳情載於綜合財務報表附註2。除有關上市的重組外，於截至二零一六年三月三十一日止年度，概無持有附屬公司及聯營公司的重大投資、重大收購或出售事項。

資本承擔

於二零一六年三月三十一日，本集團就購買機器及設備之已訂約資本承擔約為3.0百萬港元（二零一五年：約3.1百萬港元）。

租賃承擔

於二零一六年三月三十一日，根據不可撤銷經營租賃於一年內應付未來最低租賃付款總額約0.9百萬港元（二零一五年：一年內及第二至五年（包括首尾兩年）分別約1.4百萬港元及約0.9百萬港元）。

經營租賃付款主要指本集團就其辦公室及若干倉庫應付的租金。租約經商議後平均為期兩年，租金於租期內固定，並不包括或然租金。

或然負債

- (a) 於二零一六年三月三十一日，本集團已就建築合約履約保證金向一家保險公司提供約19.2百萬港元（二零一五年：約41.8百萬港元）的擔保。
- (b) 於截至二零一六年三月三十一日止年度，一家分包商就若干建築工程向本集團提出索償。本集團及該分包商同意透過仲裁或其他糾紛解決方式解決其糾紛。本集團評估會對損益造成影響的最高索償責任為7,734,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

The management, after taking external legal advice, consider that it is pre-mature to assess the outcome for the said claim. Pursuant to the deed of indemnity, the controlling shareholders have irrevocably and unconditionally, jointly and severally, agreed to indemnify the Group against, among others, all losses and damages arising from the disputes. Accordingly, no provision has been made for the claim.

管理層在考慮外部法律意見後認為，評估上述索償結果的時機尚未成熟。根據彌償保證契據，控股股東已不可撤銷及無條件地共同及個別同意，就(其中包括)因該等糾紛產生的一切損失及損害賠償向本集團作出彌償。因此，並無就該索償計提撥備。

Event after the Reporting Period

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2016 and up to the date of this annual report.

報告期後事項

本公司或本集團於二零一六年三月三十一日後及截至本年報日期並無進行任何重大期後事項。

Employees and Remuneration Policy

As at 31 March 2016, the Group had 127 full-time employees (2015: 86 full-time employees). Most of the Group's employees were site workers in Hong Kong. The remuneration policy and package of the Group's employees were periodically reviewed. Apart from Mandatory Provident Fund and in-house training programmes, salaries increment and discretionary bonuses may be awarded to employees according to the assessment of individual performance. The total staff costs incurred by the Group during the year ended 31 March 2016 was approximately HK\$46.3 million (2015: approximately HK\$27.0 million).

僱員及薪酬政策

於二零一六年三月三十一日，本集團擁有127名全職僱員(二零一五年：86名全職僱員)。本集團大多數僱員為香港的地盤工人。本集團僱員的薪酬政策及待遇已經定期檢討。除強制性公積金及內部培訓計劃外，本集團可根據個人表現評估授予僱員薪酬增幅及酌情花紅。本集團於截至二零一六年三月三十一日止年度內產生的員工成本總額約46.3百萬港元(二零一五年：約27.0百萬港元)。

Share Options

Share Option Scheme

The principal terms of the Share Option Scheme conditionally adopted pursuant to written resolutions of the Shareholder passed on 19 February 2016, yet the Board did not make any offer as at the date of this report.

購股權

購股權計劃

購股權計劃的主要條款已根據股東於二零一六年二月十九日通過的書面決議案獲有條件採納，但於本報告日期，董事會尚未作出任何要約。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Relationships with Customers, Suppliers and Employees

Customers

To deliver high quality work to customers on time and within budget is the Group's business aim. In line with the Group's quality assurance policy, a quality management system has been maintained to comply with the ISO 9001 standards. To ensure the foundation works and ancillary services meet the standards required by each customer, quality assurance functions are performed throughout the foundation works process from the construction materials procurement stage to the completion stage. To enhance our service, our senior management staff keep close communication with our customers on a regular basis throughout the project stages to get a better understanding and in turn to respond as quickly as possible to our customers' specific requirements. Most of our foundation business operation are implemented on a non-recurring and project-by-project basis, we have not entered into a long-term master contract with any of the major customers. Nevertheless, our Group aims to attract more business and referrals from these customers through this continued relationship development. The Group has established a good relationship with our customers by delivering constructive solutions and quality service to them.

Suppliers

The Group enters into contracts with our suppliers for construction materials and subcontractors on project-by-project basis but there are no long term contract. However, we produce assessment records in accordance with the suppliers' past performance with respect to pricing, market reputation, timely delivery, financial conditions, after-sales service and the satisfactory quality of their construction materials. Our purchasing department review and update the list from time to time. The Group also acquired machinery and equipment from Asian and European manufactures. We will check the product qualities and make payments according to the contract terms. The directors consider that we have maintained good business relationships with these suppliers, subcontractors and manufacturers. During the year, there was no material delay or dispute related to them causing disruption to our operations.

Employees

Our Group believe that our employees are important assets. We recognise the importance of attracting and retaining staff by providing a healthy and safe working environment and job security. We regularly provide training to enable the staff to acquire the prerequisite skills and knowledge on health and safety related procedures before they are assigned to carry out foundation works and ancillary services on sites.

與客戶、供應商及僱員的關係

客戶

本集團的業務目標為於預算內及時向客戶提供優質服務。為配合本集團的質量保證政策，已存有質量保證制度以符合ISO 9001標準。為確保地基工程及配套服務符合各個客戶要求的標準，質量保證工作會由建築材料採購階段至完成階段整個地基工作流程進行。為加強我們的服務，高級管理層員工於整個項目階段定期與客戶保持緊密聯繫，以更深入瞭解及儘快回應客戶的特定要求。地基業務營運大部分按非經常性及逐個項目基準進行，故我們並無與任何主要客戶訂立長期合約。儘管如此，本集團以吸引更多業務及透過持續的關係發展自該等客戶取得轉介為目標。本集團已透過向客戶提供建築解決方案及優質服務與客戶建立良好關係。

供應商

本集團就建築材料與供應商訂立合約，亦與分包商按逐個項目基準訂立合約，惟並無訂立長期合約。然而，我們根據供應商有關價格、市場聲譽、及時交付、財務狀況、售後服務及建築材料的品質滿意度的往績製作評估記錄。我們的採購部門不時審閱及更新名單。本集團亦自亞洲及歐洲的製造商收購機械及設備。我們將檢查產品質素及根據合約條款付款。董事認為，我們與該等供應商、分包商及製造商保持良好業務關係。於本年度內，概無有關彼等致令我們營運中斷的重大延誤或爭議。

僱員

本集團相信，僱員乃重要資產。我們瞭解透過健康安全的工作環境及職業保障吸引及挽留員工的重要性。我們定期提供訓練，讓員工指派至工地進行地基工程及配套服務前獲得必要的健康安全相關程序的技巧及知識。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

To ensure safety at the works sites, we also perform regular maintenance checks on the machinery and equipments since our Group regards regular maintenance as an important element to prevent accident.

There were no fatal accidents in the Group's projects during the year and the accident rate was lower than the industry average for the construction industry. As at 31 March 2016, the Group had approximately 127 (2015: 86) employees. The remuneration package we offer to our employees includes salary, discretionary bonuses and allowances. In general, we determine employee salaries based on the individual's qualifications, position and performance (where applicable). We have designed annual appraisal system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions. Our directors believe that the relationship and co-operation between our management team and our employees has been good.

Environmental Policies

Environmental protection is an important issue our Group considers when undertaking the foundation works and ancillary services. Our activities are performed with strict measures to quality, safety and with respect to the environment. Our Group's policy is to ensure that all its activities are carried out with minimum adverse impact on the environment by the establishment and implementation of a management system to comply with environmental rules and regulation and to let our employees know their environmental protection responsibilities. We will keep on reviewing the performance in order to achieve more efficient prevention of pollution. Our staff receive trainings on the statutory and other relevant requirements on environment and the implications of non-compliance. We address potential environmental issues with its foundation works and ancillary services during the year, in particular, large diameter bored piles and rock socketed steel H-piles in pre-bored holes, our Group was awarded the ISO 14001:2004 (environment management system accreditation) and renewed the certificate during the year after passing the relevant audits. Our Group will also continue to take all necessary actions to ensure the compliance to the customer's environmental protection requirements and relevant laws and regulations. During the year, no government authority prosecuted our Group for any reach of any applicable environmental laws and regulations.

為確保工地安全，我們亦為機械及設備進行定期維修檢查，原因為本集團認為定期維修對防止意外發生不可或缺。

於本年度內，本集團項目並無發生嚴重意外，而意外率亦較建造業的業內平均數為低。於二零一六年三月三十一日，本集團有約127名(二零一五年：86名)僱員。我們向僱員提供的薪酬待遇包括薪金、酌情花紅及津貼。一般而言，我們按照個人資歷、職位及表現(如適用)釐定僱員薪金。我們已制定年度考績制度以評估僱員的表現，其建立我們決定加薪、花紅及晉升的基準。董事相信，管理團隊與僱員的關係及合作一直良好。

環境政策

當進行地基工程及配套服務時，本集團認為環境保護為重要問題。工程乃按嚴格的品質、安全及環境措施進行。本集團的政策為透過建立及實施管理制度，確保所有工程乃於對環境構成最少不利影響的環境下進行，以符合環境規則及規例及讓僱員知悉彼等對環保責任。我們將繼續檢討表現以更有效率地防止污染。員工接受有關環境的法定及其他相關規定以及不合規的涵義。年內，我們應付地基工程及配套服務潛在環境問題，特別是大直徑鑽孔樁及預鑽孔套入岩石工字鋼樁。本集團獲授ISO 14001:2004認證(環境管理體系認證)，並於通過相關審核後於本年度內重續認證。本集團亦將繼續採取所有必要行動確保遵守客戶環境保護規定及相關法例及規例。於本年度內，概無政府機關就觸犯任何適用的環境法例及規例檢控本集團。

CORPORATE GOVERNANCE REPORT

企業管治報告

Corporate Governance Practices

To create long term value for the interests of shareholders is the Board's main objective, it is committed to achieving a high standard of corporate governance, and strives to maintain the management practices in a transparent and responsible way. The Board will continuously review and improve the Group's corporate governance practices, and maintaining a high standard of business ethics to implement the Group policy.

During the period from Listing Date to 31 March 2016, the Company had complied with all the code provisions, where applicable, set out in the Corporate Governance Code ("CG Code") under Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

Chairman and Chief Executive

The Group had appointed a Chairman and a Deputy Managing Director who performs the duty of Chief Executive during the year under code provision A.2.1 of the CG Code to separate the roles of Chairman and Chief Executive. In order to ensure that there is clear division, the two positions are assumed by different individuals. The Chairman, Mr. Yu Shiu Tin Paul, was responsible for the overseeing the marketing work and the contract strategy of our Group and authorized signatory under specialist contractor licensing. Mr. Yeung Sau Ming Boris, the Deputy Managing Director, who was responsible for the overall management of our Group, including our daily operations, business development, strategic planning and tendering. The Chairman had ensured that all Directors were properly briefed on issues arising at the Board meetings and received adequate, complete and reliable information in a timely manner.

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 10 to the Listing Rules upon Listing. All the Directors confirmed that they had complied with the required standard set out in the Model Code during the period from the Listing Date to 31 March 2016 in response to the specific enquiry.

The Board has established guidelines no less exacting than the Model Code for relevant employees in respect of their dealings in the securities of the Company as required under the CG Code.

企業管治常規

為股東利益創造長期價值為董事會的主要目標。董事會致力實現高水平的企業管治，並努力保持透明及負責的管理常規。董事會將不斷檢討及改善本集團的企業管治常規，並保持高標準的商業操守以貫徹本集團的政策。

於上市日期至二零一六年三月三十一日期間，本公司一直遵守聯交所證券上市規則（「上市規則」）附錄14項下企業管治守則（「企業管治守則」）所載所有適用的守則條文（如適用）。

主席及行政總裁

本集團已根據企業管治守則條文第A.2.1條於本年度委任主席及副董事總經理（履行行政總裁職務）以區分主席及行政總裁的角色。為確保有明確區分，兩個職位由不同人士擔任。主席余嘯天先生負責監督本集團的市場營銷工作及合約策略並為專門承建商發牌的獲授權簽署人。副董事總經理楊秀明先生負責監督本集團的全面管理，包括我們的日常運營、業務發展、策略規劃及投標。主席已確保所有董事均獲提供董事會會議所討論事項的有關資料，且及時獲得充足及完整可靠的資料。

董事進行的證券交易

於上市後，本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）。經作出具體查詢後，全體董事確認，彼等於自上市日期至二零一六年三月三十一日期間已遵守標準守則所載的規定準則。

董事會已根據企業管治守則規定，就有關僱員買賣本公司證券事宜制定指引，指引條款不比標準守則寬鬆。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Board

The Board acts in good faith, with due diligence and care, to discharge its duties concerning the best interests of the Company and its shareholders. The primary role of the Board is to protect and enhance long term shareholders' value; it also oversees the management, business, strategies and financial performance of the Group to ensure that good corporate governance policies and practices are implemented within the Group. The management is responsible for the execution of the strategies in the Group's daily operations and the implementation of the risk management and internal control systems.

The Board currently comprises 7 members whose biographies and family relations are set out in the "Profile of Directors and Senior Management" section on pages 27 to 33 of this annual report. The Chairman, Mr. Yu Shiu Tin Paul, and Deputy Managing Director, Mr. Yeung Sau Ming Boris, are responsible for maintaining a segregation of duties between the Chairman's responsibility to manage the Board and the Chief Executive's responsibility to manage the Group's business and oversee the management. The Directors bring a good balance of skills and experience to the Company. The independent non-executive Directors provide their independent judgment on the development, performance and risk management of the Group. The Directors are fully aware that they individually and collectively hold responsibilities to shareholders.

The executive Directors have entered into employment contracts with the Company and each of the independent non-executive directors have been appointed on a specific term of two years. Notwithstanding the specific term of appointments, the articles of association of the Company provides that every Director shall be subject to retirement at an annual general meeting at least once every three years. At each annual general meeting, one-third of the Directors for the time will retire from office by rotation and being eligible for re-election by the shareholders.

Board Meetings

No meeting of the Board was held between the Listing Date and 31 March 2016. Subsequent to 31 March 2016 and up to the date of this annual report, a Board meeting was held on 22 June 2016 to approve the annual results announcement for the year ended 31 March 2016 and consider the recommendation for payment of a final dividend.

The Directors shall call Board meetings when they think it is appropriate and fit to handle the business affairs in respect of invested strategies, financial performance and potential risks relating to the daily operations of the Group.

董事會

董事會就本公司及其股東的最佳利益，本著真誠、盡職及謹慎履行其職責。董事會的主要職責為保障及提升股東的長期價值，亦負責監督本集團的管理、業務、策略及財務表現，以確保於本集團內實施良好的企業管治政策及常規。管理層負責於本集團的日常營運中執行策略及實施風險管理及內部監控制度。

董事會現時包括七名成員，彼等的履歷及家族關係載於本年報第27至第33頁「董事及高級管理層履歷」一節。主席余嘯天先生及副董事總經理楊秀明先生維持主席與執行董事之間的職責分工，主席負責管理董事會，而行政總裁則負責管理本集團業務及監督管理層。董事為本公司帶來均衡的技能及經驗。獨立非執行董事就本集團的發展、表現及風險管理提供獨立判斷。董事已充分認識到彼等須個別及共同對股東承擔的責任。

執行董事已與本公司訂立僱傭合約，而各獨立非執行董事已按兩年指定任期獲委任。儘管以指定任期委任，本公司組織章程細則規定，每名董事須至少每三年一次於股東週年大會上退任。於每屆股東週年大會上，當時三分之一的董事將輪值退任並合資格獲股東重選連任。

董事會會議

於上市日期至二零一六年三月三十一日，董事會並無舉行會議。於二零一六年三月三十一日後及截至本年報日期，董事會會議已於二零一六年六月二十二日舉行，以批准截至二零一六年三月三十一日止年度之全年業績及考慮派付末期股息之建議。

董事可於彼等認為適宜及適合處理與本集團日常營運有關的投資策略、財務表現及潛在風險的業務事宜時召開董事會會議。

CORPORATE GOVERNANCE REPORT 企業管治報告

Directors' Induction and Development

During the period from the Listing Date to 31 March 2016, all Directors confirmed to comply with the provision of the CG Code in relation to continuous professional development. In doing so, the Directors have undertaken various forms of activities relevant to the Company's business, Directors' duties and responsibilities. The Company held a training for all Directors to provide their knowledge on the duties and responsibilities of the Directors before the Listing.

Board Committees

The Board has established certain Board committees to oversee specific aspects of the Company's affairs and help it in the execution of its responsibilities. Specific written terms of reference of these committees clearly outline the committees' authority and duties, which require the committees to report back on their decisions and recommendations to the Board.

Audit Committee

The audit committee (the "Audit Committee") is responsible for the engagement of the external auditor, the review of the Group's financial information and the oversight of the Group's financial reporting system, internal control procedures and risk management system. It is made up of four independent non-executive directors including Mr. Cheung Chi Fai Frank (Chairman), Mr. Chan Kee Huen Michael, Mr. Cheng Yan Kee and Professor Chung Hung Kwan Barnabas. No meeting of the Audit Committee was held between the Listing Date and 31 March 2016.

Subsequent to 31 March 2016 and up to the date of this annual report, the Audit Committee has two independent meetings with external auditors without the presence of the executive Directors on 15 April 2016 and 22 June 2016 to consider the internal control and statutory audit scope and to review both audit findings respectively and hence make recommendations to the Board.

董事就任及發展

於上市日期至二零一六年三月三十一日期間，全體董事確認，彼等已遵守有關持續專業發展的企業管治守則條文。為此，董事已參與有關本公司業務、董事職務及職責的各項活動。本公司於上市前已對全體董事進行培訓，以提供有關董事職務及職責的知識。

董事委員會

董事會已成立若干董事委員會，監察本公司事務特定範疇，並協助其履行職責。該等委員會各自訂有特定的書面職權範圍，當中清晰界定委員會的權力及職務，並規定委員會向董事會匯報其決策及建議。

審核委員會

審核委員會（「審核委員會」）負責聘用外聘核數師、審閱本集團財務資料、監督本集團財務報告制度、內部監控程序及風險管理制度。其由四名獨立非執行董事組成，包括張志輝先生（主席）、陳記煊先生、鄭恩基先生及鍾鴻鈞教授。於上市日期至二零一六年三月三十一日，審核委員會並無舉行會議。

於二零一六年三月三十一日後及截至本年報日期，審核委員會已在執行董事避席的情況下，於二零一六年四月十五日及二零一六年六月二十二日與外聘核數師舉行兩次獨立會議，藉以考慮內部控制及法定審核範圍及分別審閱上述兩項的審核發現，並向董事會作出推薦建議。

CORPORATE GOVERNANCE REPORT 企業管治報告

Nomination Committee

The nomination committee (the “Nomination Committee”) annually reviews the structure, size and composition of the Board (including its mix of skills, knowledge and experience), it makes recommendations on proposed changes to the Board to complement the Company’s corporate strategy, and makes recommendations to the Board on the appointment or re-appointment of directors, and assesses the independence of independent non-executive Directors. It also oversees the implementation of the Company’s policy on the diversity of directors. It is made up of five members including Mr. Yu Shiu Tin Paul (Chairman), Mr. Chan Kee Huen Michael, Mr. Cheng Yan Kee, Professor Chung Hung Kwan Barnabas and Mr. Yeung Sau Ming Boris.

The Company has a diversity policy of Board members. Under this policy, the diversity of the Board is considered in terms of factors such as gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments are based on merit, and candidates are considered against various objective criteria, with due regard for the benefits of diversity on the Board.

No meeting of the Nomination Committee was held between the Listing Date and 31 March 2016.

Remuneration Committee

The remuneration committee (the “Remuneration Committee”) is responsible for making recommendations to the Board on the Company’s policy, the structure for the remuneration of all the Directors, the senior management of the Group and on the establishment of a formal and the transparent procedure for developing remuneration policy for approval by the Board. It is made up of five members including Mr. Cheng Yan Kee (Chairman), Cheung Chi Fai Frank, Professor Chung Hung Kwan Barnabas, Ms. Chan Lai Kuen and Mr. Yu Shiu Tin Paul.

No meeting of the Remuneration Committee was held between the Listing Date and 31 March 2016.

提名委員會

提名委員會(「提名委員會」)每年檢討董事會的架構、規模及組成(包括技能、知識及經驗的組合);就建議變動向董事會提出建議以與本公司企業策略相輔相成;就委任或重新委任董事向董事會提出建議;及評估獨立非執行董事的獨立性。其亦負責監察本公司董事成員多元化政策的實施情況。提名委員會由五名成員組成,包括執行董事余嘯天先生(主席)、陳記煊先生、鄭恩基先生、鍾鴻鈞教授及楊秀明先生。

本公司設有有關董事會成員多元化的政策。在該政策下,董事會成員多元化乃考慮到性別、年齡、文化與教育背景、種族、專業經驗、技能、知識及服務年期等因素。董事會所有委任均以用人唯才為基準,並以多方面的客觀標準並充分顧及董事會成員多元化的裨益考慮人選。

提名委員會於上市日期至二零一六年三月三十一日並無舉行會議。

薪酬委員會

薪酬委員會(「薪酬委員會」)負責就本公司政策、有關本集團全體董事及高級管理層薪酬的結構,以及就制定薪酬政策確立正式及透明的程序,向董事會提供推薦建議以供其批准。其由五名成員組成,包括鄭恩基先生(主席)、張志輝先生、鍾鴻鈞教授、陳麗娟女士及余嘯天先生。

薪酬委員會於上市日期至二零一六年三月三十一日並無舉行會議。

CORPORATE GOVERNANCE REPORT 企業管治報告

The consideration the Remuneration Committee will determine the remuneration of the Directors and the senior management including the factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and the senior management, the performance and contributions of the Directors and the senior management and the change in market conditions. Details of the remuneration paid to the directors and the five highest paid individuals (including four employees and one director) in the Group are set out in notes 13 and 14, respectively, to the consolidated financial statements.

Risk Management and Internal Controls

One of the major functions of the Board is to maintain an adequate risk management and internal control systems to safeguard shareholders' investments and the Group's assets, and reviewing their effectiveness annually through the audit committee. The Audit Committee reports to the Board on any material issues and makes recommendations to the Board.

The Group has maintained internal control guidance and procedures on the Group's operational cycles relating to revenue, purchase and expenditure, inventory and human resources etc., to ensure proper accounting records are kept so that reliable financial reporting can be provided, the effectiveness and efficiency of operation can be achieved, and the compliance with applicable laws and regulations and safeguarding of assets can be maintained. These procedures, together with the Company's compliance manual, have also shaped the control environment in which and how the Group operates in, including the budgeting controls, investment decision making, risk assessment and practices of corporate governance. These systems are designed to provide reasonable protection against errors, losses and fraud.

The Company does not establish a standalone internal audit department, however, the Board has put in place adequate measures to perform the internal audit function at different aspects of the Group which are discussed below.

The Company has appointed an internal control adviser to conduct annual review on the internal control system of the Group for the year and reported their findings and recommendations to the audit committee and the Board. It is designed to review the effectiveness of the Group's material internal controls so as to provide assurance that key internal control measures are carried out appropriately and are functioning as intended. During the year ended 31 March 2016, the overall management controls and the revenue and work-in-progress cycle were reviewed and found that adequate controls are in order.

為釐定董事及高級管理層的薪酬，薪酬委員會將考慮多項因素，例如比較若干公司支付的薪金、董事及高級管理層付出的時間及職責、董事及高級管理層的表現及貢獻以及市況變動等。有關支付予本集團董事及五名最高薪人士（包括四名僱員及一名董事）薪酬的詳情分別載於綜合財務報表附註13及14。

風險管理及內部監控

董事會主要功能之一為維持足夠風險管理及內部監控制度，以保障股東投資及本集團資產，並透過審核委員會每年檢討其成效。審核委員會就任何重大事宜向董事會匯報，並向董事會作出推薦建議。

本集團就本集團有關收益、採購及開支、存貨及人力資源等方面的營運週期設有內部監控指引及程序，以確保存置適當會計記錄，以致能夠提供可靠財務報告，達致營運效率與效益以及保持遵守適用法律及規例及保護資產。該等程序加上本公司之合規手冊，亦塑造本集團在預算控制、投資決策、風險評估及企業管治常規等方面均受控制的環境，以供本集團操作及依循。該等制度旨在提供防止錯誤、遺失及欺詐的合理保障。

本公司並無設立獨立內部審核部門，然而，董事會已實施充足的措施，從本集團不同方面履行內部審核職能，有關情況討論如下。

本公司已委任一名內部監控顧問，對本集團於本年度之內部監控制度進行年度檢討，並向審核委員會及董事會報告彼等之調查發現及推薦建議。其目的為檢討本集團重大內部監控之成效，從而保證適當實施主要內部監控措施及發揮其擬定作用。於截至二零一六年三月三十一日止年度，整體管理控制、收益及在建工程週期均已獲審查，並發現所有控制均已充份到位。

CORPORATE GOVERNANCE REPORT 企業管治報告

Monthly meetings were held between the executive directors and senior management to review and monitor the business and financial performance against the targets, the progress of certification and contract receipts from the customers, the efficiency in the use of the Group's resources in comparison to the budgets, and the operational matters to ensure the Group has complied with the regulations that have material impact to the Group's business. The aim is to enhance the communication and accountability of the Directors and management so that significant strategic, financial, operational and compliance risks or potential deviations are timely identified and dealt with in a proper manner, while significant issues are reported back to the Board for their attention. The Company also compiles monthly reports to the Board to update the latest financial performance, position and prospects of the Group.

Specific policy was set up by the Company for disclosure of inside information. While any potential inside information will be escalated to the executive meetings or the Board via the established reporting channels, the Directors will assess and determine if the inside information of the Company exists where timely disclosure is required to be made by an announcement published on the Stock Exchange website. On the other hand, in order to enhance the communication with the market, the Company also published voluntary announcements to update the public on the latest development of the Group's business during the year and it has intended to put it into practice to enhance the transparency of the Company, whenever practicable.

The Group's aim is to run competitive foundation works business in Hong Kong. The Group has to comply respective requirements and pass the regular reviews in order to retain its listing in the Development Bureau Specialist List (Group I and II) of Specialist Contractor for Public Works, the Buildings Department Registered Specialist Contractor – Foundation Category. The Group has also implemented a management system in accordance with the requirements under ISO 9001, ISO 14001 and OHSAS 18001 to ensure that the Group's services meet the requisite health and safety, quality and environmental requirements. During the year, the Group passed the audits conducted by external consultants and renewed these certificates. Upon completion of pile construction, the Group is required to engage external professionals to conduct various applicable tests on all piles based on the relevant contractual requirements and ensure full compliance with customer requirements. Subject to these piling records available to the customers for their testing and inspection, the authorized persons employed by the customers certify the value of the works completed in the payment certificates issued to the Group. Therefore, stringent ongoing controls and monitoring systems have already been embedded in the daily operations of the foundation works business.

執行董事每月均會與高級管理層舉行會議，以審閱及監察業務及財務表現對比預期目標的進度、自客戶獲取證書及合約的進度、本集團資源的運用的效率與預算對比，以及營運方面的事務，以確保遵守對本集團業務有重大影響的監管規定。此舉旨在增強董事與管理層的溝通與問責，從而令重大策略、財政、營運及合規風險或潛在偏離狀況得以及時辨識，並以適當方式處理，而重大事項則向董事會匯報。本公司亦為董事會編撰每月報告，以更新本集團最新財務表現、狀況及前景。

本公司已就內幕消息之披露設立特定政策。任何潛在內幕消息將會透過既定的申報渠道傳遞到執行會議或董事會，董事將評估及釐定本公司是否存在內幕消息，而須按規定於聯交所網站上發表公告作及時披露。另一方面，為增強市場資訊溝通，本公司在年內亦會自願刊發公佈，向公眾人士更新本集團年內業務的最新發展，本公司有意在可行情況下將其成為慣例，以增加透明度。

本集團之目標為在香港經營具競爭力的地基工程業務。本集團須遵守各方面的要求及通過定期審核，以繼續名列發展局公共工程專門承建商專家名冊(第I及第II組別)及屋宇署註冊專門承建商—地基類別。本集團亦根據ISO 9001、ISO 14001及OHSAS 18001項下之要求實行管理制度，確保本集團的服務符合必要的健康及安全、質素及環境規定。於本年度內，本集團已通過由外部顧問進行之審核，並重續該等證書。完成打樁工程後，本集團須委託外部專家根據相關合約規定對所有樁柱進行各種適用測試，並確保全面符合客戶要求。該等打樁記錄須供客戶測試及檢驗，而由客戶聘用的獲授權人士會在發給本集團的付款證明中確認已完成工程的價值。因此，嚴格的持續控制及監察制度經已於地基工程業務的日常運作中實施。

CORPORATE GOVERNANCE REPORT 企業管治報告

On 22 June 2016, the Board reviewed the effectiveness of the Group's internal control system at its Board meeting including its financial, operational and compliance controls, and its risk management functions. The Board's review included a consideration of the internal control evaluations conducted by the findings of the external auditors during the annual audit and the internal control review reported by an internal control adviser engaged by the Company. No material fraud or errors came to the attention of the Board from all these sources. Therefore, the Board was satisfied that the risk management and internal control systems were well installed and implemented effectively during the year without significant weakness identified.

Directors' Remuneration

Directors' emoluments are determined with reference to Directors' duties, responsibilities and performance and the results of the Group. In addition, the Directors' remuneration is reviewed by the Remuneration Committee of the Company annually. Details of the Directors' remuneration are set out in note 14 to the consolidated financial statements.

Remuneration of the Senior Management

During the year ended 31 March 2016, the remuneration of senior management is listed as below by band:

| Band of remuneration (HK\$) 薪酬範圍(港元) | Number of Person 人數 |
|---|--------------------------------------|
| HK\$1,000,000 and below 1,000,000港元及以下 | 1 |
| HK\$1,000,001 to HK\$2,000,000 1,000,001港元至2,000,000港元 | 3 |
| HK\$2,000,001 to HK\$3,000,000 2,000,001港元至3,000,000港元 | 0 |
| Above HK\$3,000,000 3,000,000港元以上 | 0 |

於二零一六年六月二十二日，董事會於其董事會會議上檢討本集團內部監控制度的成效，包括財務、營運及合規控制以及風險管理職能。董事會的檢討包括考慮依據外部核數師在年度審核中的發現進行的內部監控評估，及本公司委託內部監控顧問編製的內部監控檢討報告。董事會從所有該等資料中未有發現重大欺詐或錯誤。因此，董事會信納風險管理及內部監控制度在本年度內均已準備就緒並有效施行，而並無辨識重大弱點。

董事薪酬

董事薪酬乃經參考董事的職務、職責及表現以及本集團的業績後釐定。此外，本公司薪酬委員會每年均會審閱董事薪酬。董事薪酬詳情載於綜合財務報表附註14。

高級管理層薪酬

於截至二零一六年三月三十一日止年度，按範圍劃分的高級管理層薪酬載列如下：

CORPORATE GOVERNANCE REPORT 企業管治報告

Auditor's Remuneration

The remuneration in respect of audit and non-audit services provided to the Group by the Company's auditor, RSM Hong Kong and other RSM network firms for the year ended 31 March 2016 was:

| | | HK\$'000 千港元 |
|--|--------------------|-----------------|
| Audit services | 審核服務 | 1,150 |
| Audit services relating to the listing of the Company's shares on the Stock Exchange | 有關本公司股份於聯交所上市之審核服務 | 2,200 |
| Non-audit services | 非審核服務 | 38 |
| | | 3,388 |

核數師酬金

截至二零一六年三月三十一日止年度，就本公司核數師中瑞岳華(香港)會計師事務所及其他中瑞岳華之網絡公司向本集團提供之審核服務及非審核服務之酬金如下：

Directors' and Auditor's Responsibilities for the Financial Statements

The Directors acknowledge their responsibility for the preparation of financial statements which give a true and fair view of the state of affairs of the Group. In preparing the financial statements which give a true and fair view, it is fundamental that the appropriate accounting policies are selected and applied consistently. The reporting responsibilities of the Company's external auditor on the consolidated financial statements of the Group are set out in the independent auditor's report on pages 43 to 44 of this annual report. The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

Company Secretary

The Company's company secretary, Mr. Ho Cheuk Wai, coordinates the supply of information to the Directors and is the primary contact person within the Company for all matters relating to the duties and responsibilities of the company secretary. All Directors have access to the company secretary to ensure that Board procedures and all applicable laws, rules and regulations are followed. During the year ended 31 March 2016, he had taken no less than 15 hours of relevant professional training as required under Rule 3.29 of the Listing Rules. Please refer to his biographical details which are set out on page 33 of this annual report.

董事及核數師編製財務報表之責任

董事知悉彼等就編製真實與公平反映本集團事務狀況之財務報表須承擔責任。在編製該等真實與公平之財務報表時，必須選取及貫徹採用合適的會計政策。本公司外聘核數師對本集團綜合財務報表之呈報責任載於本年報第43至44頁之獨立核數師報告。董事並不知悉任何有關事件或情況的重大不明朗因素可能對本集團持續經營的能力產生重大疑問。

公司秘書

本公司之公司秘書何焯偉先生負責協調向董事提供資料，並為就涉及公司秘書職務及職責的一切事宜擔任本公司主要聯絡人。所有董事均可聯絡公司秘書，以確保能夠遵守董事會程序以及所有適用法律、規則及規例。於截至二零一六年三月三十一日止年度，公司秘書已按上市規則第3.29條規定參加不少於15個小時的相關專業培訓。有關公司秘書的履歷請參閱本年報第33頁。

CORPORATE GOVERNANCE REPORT 企業管治報告

Shareholders' Rights

We seriously take care the shareholders' interest to ensure that they are treated fairly and are able to exercise their shareholders' rights effectively. Shareholders are entitled by the articles of association of the Company and are also encouraged to participate in the Company's general meetings or appoint proxies to attend and vote. Shareholder(s) holding not less than 10% of the Company's paid-up capital may request the Board to convene an extraordinary general meeting and put forward proposals. Such requisition should be made in writing to the Board or the company secretary for such purpose and should specify the transaction of any business to propose in such meeting.

In case a shareholder wishes to nominate a person for election as director in a general meeting, the particulars of the candidate must be stated in a nomination notice signed and deposited together with a notice of willingness signed by the candidate to the company secretary at the Company's headquarters or at the branch share registrar and transfer office (Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong) of the Company. The notice should be given at least seven days prior to the date of such general meeting.

Investor Relations

The Company is committed to maintain effective and timely dissemination of the Group's information to its shareholders and the market. We have established a shareholders' communication policy which emphasizes the importance of regular communication to the shareholders and the market to ensure they have the available information reasonably required to make informed assessments of the Group's strategy, operations and financial performance. The annual shareholders' meetings of the Company are the primary forum for communication by the Company with its shareholders and for shareholder participation. In addition, the Company's website (www.kh-holdings.com) contains extensive company information which is easily accessible.

During the period from the Listing Date to 31 March 2016, the Company published voluntary announcements in relation to shareholders' right and Board diversity policy on the Company's website to keep the shareholders and investors updated regarding the corporate governance status.

股東權利

我們非常重視股東權利，確保彼等獲公平對待，且彼等可有效行使其股東權利。本公司的組織章程細則賦予股東權利且鼓勵股東親身或委派代表出席本公司股東大會並於會上投票。持有不少於本公司10%實繳股本的股東可要求董事會召開股東特別大會並提呈動議。有關請求應以書面向董事會或公司秘書作出，並應註明將於該大會上提呈處理之任何事務。

股東如欲於股東大會上提名任何人士出選董事，則須將載有候選人詳細資料的經簽署提名通知書連同經候選人簽署的意向書，交予本公司總部送呈公司秘書或送交本公司香港股份過戶登記分處聯合證券登記有限公司，地址為香港北角英皇道338號華懋交易廣場2期33樓3301至04室。通知書須於有關股東大會日期前最少七天發出。

投資者關係

本公司致力於保持向其股東及市場有效及時地傳達本集團資料。我們設立了股東溝通政策，強調與股東及市場定期溝通的重要性，以確保彼等取得合理所需資料以達致對本集團政策、營運及財務表現的知情評估。本公司之股東週年大會乃本公司與股東間溝通之主要平台，亦供股東參與。此外，本公司網站(www.kh-holdings.com)載有大量公司資料，方便瀏覽。

於上市日期至二零一六年三月三十一日期間，本公司就股東權利及董事會多元化政策於本公司網頁發表自願公佈，向股東及投資者提供有關企業管治狀況的最新資訊。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Executive Directors

Mr. Yu Shiu Tin Paul (“Mr. Yu”), aged 66, is our executive Director, Chairman, Chairman of our nomination committee, and a member of our remuneration committee. He is primarily responsible for overseeing the marketing work and contract strategy of our Group and is appointed as our Group’s authorized signatory under specialist contractor licensing. Mr. Yu is also appointed as the Technical Director to act for the purpose of the Buildings Ordinance for K. H. Foundations Ltd.. He has over 30 years of experience in the foundation, construction and engineering industry in Hong Kong. Mr. Yu founded K. H. Foundations Ltd. in 1985 and has been the director of K. H. Foundations Ltd. since then. Over the 30 years of directorship in K. H. Foundations Ltd., Mr. Yu had the opportunity to go through various development and construction projects of both the public sector and the private sector in Hong Kong including, but not limited to schools, hotels and Government buildings.

Mr. Yu graduated from Syracuse University in New York, United States and obtained a Bachelor’s degree in Civil Engineering and a Master’s degree in Engineering Administration in May 1973 and December 1974, respectively. In 1981, Mr. Yu was a director of Tung Wah Group of Hospitals and was subsequently elected as chairman of Tung Wah Group of Hospitals in 1988 and served as chairman until 1989.

Mr. Yu was appointed by the Government to sit in various advisory bodies since 1982. He was appointed as a member of the Board of Management of the Chinese Permanent Cemeteries from 1982 to 2003, a member of the Antiquities Advisory Board from 1992 to 1996, a member of the Registered Contractors’ Disciplinary Board Panel from 1993 to 1996, a member of the Council of the Hong Kong Institute of Education from 1994 to 1998, a member of the Administrative Appeals Board from 1994 to 2000, a member of the Hospital Authority from 2001 to 2009 and the chairman of the Hospital Governing Committee of Tuen Mun Hospital from 2004 to 2014. Currently, he is a member of the Hospital Governing Committee of Queen Mary Hospital and Tsan Yuk Hospital, and a member of the Advisory Board of Tung Wah Group of Hospitals. He was awarded Justice of the Peace (Non-official) by the Government in 1989 and is a member in the Most Excellent Order of the British Empire in 1994. In 2007, Mr. Yu was awarded the Bronze Bauhinia Star by the Hong Kong SAR Government. He was admitted as a fellow member of the Hong Kong Institute of Builders and the Hong Kong Institute of Construction Managers in May 1997.

He is currently an independent non-executive director of Continental Holdings Limited (Stock Code: 513), company listed on the Main Board of the Stock Exchange.

執行董事

余嘯天先生(「余先生」)，66歲，為我們的執行董事、主席、提名委員會主席兼薪酬委員會成員。彼主要負責監督本集團的市場營銷工作及合約策略，並獲委任為本集團專門承建商發牌的獲授權簽署人。余先生亦獲委任為技術總監以確保劍虹地基有限公司遵守建築物條例。彼在香港的地基、建築及工程行業擁有逾30年經驗。余先生於一九八五年創辦劍虹地基有限公司，並自此一直擔任劍虹地基有限公司的董事。在劍虹地基有限公司擔任董事逾30年，余先生有機會參與香港公營及私營領域的不同發展與建築項目，包括但不限於學校、酒店及政府樓宇。

余先生畢業於美國紐約雪城大學(Syracuse University)，並分別於一九七三年五月及一九七四年十二月取得土木工程學士學位及工程管理碩士學位。於一九八一年，余先生為東華三院的董事，其後於一九八八年獲選舉為東華三院的主席，並擔任主席至一九八九年。

自一九八二年以來，余先生獲政府委任在多個顧問機構任職。彼於一九八二年至二零零三年獲委任為華人永遠墳場管理委員會委員、於一九九二年至一九九六年獲委任為古物諮詢委員會委員、於一九九三年至一九九六年獲委任為註冊承建商紀律委員會團成員、於一九九四年至一九九八年獲委任為香港教育學院理事會成員、於一九九四年至二零零零年獲委任為行政上訴委員會委員、於二零零一年至二零零九年獲委任為醫院管理局成員以及於二零零四年至二零一四年獲委任為屯門醫院管治委員會主席。目前，彼為瑪麗醫院及贊育醫院管治委員會成員，並為東華三院顧問局成員。彼於一九八九年獲政府委任為太平紳士(非官守)，並於一九九四年獲授予大英帝國最優秀勳章。於二零零七年，余先生獲香港特區政府授予銅紫荊星章。彼於一九九七年五月獲認可為香港建築師學會及香港營造師學會的資深會員。

彼現為恒和珠寶集團有限公司(一家於聯交所主板上市的公司，股份代號：513)的獨立非執行董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Mr. Yeung Sau Ming Boris (“Mr. Yeung”), aged 49, is our executive Director, Deputy Managing Director and a member of our nomination committee. Mr. Yeung is primarily responsible for overseeing the overall management of our Group including our daily operations, business development, strategic planning and tendering. Mr. Yeung has more than 20 years of experience in the construction industry in Hong Kong. He took part in the foundation works and superstructure construction works in construction projects of both the public sector and the private sector in Hong Kong including, but not limited to schools, hotels and Government buildings. Mr. Yeung joined our Group in 2008 and was appointed as a director of K. H. Foundations Ltd. during the same period. He is also the director of K. H. Civil Engineering Ltd., K. H. Machinery Ltd. and K. H. Piling & Engineering Ltd. since each of their incorporate date, respectively. He has been appointed as a director of Tactful Building Company Limited since July 1993. It is a Registered General Building Contractor, mainly involved in building construction works.

Mr. Yeung graduated from The Hong Kong Polytechnic University (previously known as Hong Kong Polytechnic) with a professional diploma in Building Surveying in November 1989. He obtained his Bachelor’s degree of Science with distinction in Building Surveying from the University of Greenwich (previously known as Thames Polytechnic) in the United Kingdom in June 1990. He subsequently obtained his Master’s degree of Science in Real Estate Development from The University of Hong Kong in November 1995.

Mr. Yeung is a Registered Professional Surveyor by profession. He was elected as an associate of The Hong Kong Institute of Surveyors in April 1993, and as the professional associate of the Royal Institution of Chartered Surveyors in December 1992.

Ms. Chan Lai Kuen (“Ms. Chan”), aged 52, is our executive Director and a member of our remuneration committee. Ms. Chan is primarily responsible for overseeing the finance and account management aspects and as well as the corporate finance functions in our Group. Ms. Chan has over 20 years of experience in accounting, taxation and financial assignments especially with companies in Hong Kong construction industry. Ms. Chan joined our Group in 2006 and was appointed as a director of K. H. Foundations Ltd. during the same period. Ms. Chan was appointed as a director of K. H. Civil Engineering Ltd. in 2012.

Ms. Chan was the assistant accountant of Wing Fai International Limited from 1994 to 1998 and has been the accountant of Tactful Building Company Limited since 1998, respectively and is currently a senior accounting manager of Tactful Building Company Limited. It is a Registered General Building Contractor, mainly involved in building construction works.

楊秀明先生(「楊先生」)，49歲，為我們的執行董事、副董事總經理兼提名委員會成員。楊先生主要負責監督本集團的全面管理，包括我們的日常運營、業務發展、策略規劃及投標。楊先生在香港建築行業擁有逾20年經驗。彼曾在香港公營及私營部門的建築項目從事地基工程及上層架構建造工程，包括但不限於學校、酒店及政府樓宇。楊先生於二零零八年加入本集團，同期獲委任為劍虹地基有限公司的董事。彼自劍虹土木工程有限公司、劍虹機械有限公司及劍虹打樁工程有限公司的各別註冊成立日期起亦擔任其董事。彼自一九九三年七月以來一直獲委任為達高建業有限公司的董事。該公司為註冊一般建築承建商，主要從事樓宇建造工程。

楊先生於一九八九年十一月畢業於香港理工大學(前稱香港理工學院)，取得建築測量專業文憑。彼於一九九零年六月在英國格林威治大學(University of Greenwich，前稱Thames Polytechnic)以優異的建築測量成績取得理學學士學位。彼其後於一九九五年十一月取得香港大學房地產開發理學碩士學位。

楊先生為註冊專業測量師(專業組)。彼於一九九三年四月獲選為香港測量師學會會員，並於一九九二年十二月獲選為英國皇家特許測量師學會專業會員。

陳麗娟女士(「陳女士」)，52歲，為我們的執行董事兼薪酬委員會成員。陳女士主要負責本集團的監督財務及賬目管理事務及履行企業融資職能。陳女士在會計、稅務及尤其是香港建造業公司的財務工作方面擁有逾20年經驗。陳女士於二零零六年加入本集團，同期獲委任為劍虹地基有限公司的董事。陳女士於二零一二年獲委任為劍虹土木工程有限公司的董事。

陳女士於一九九四年至一九九八年為榮輝國際有限公司的助理會計師，及自一九九八年起一直為達高建業有限公司的會計師，現為達高建業有限公司的高級會計經理。該公司為註冊一般建築承建商，主要從事樓宇建築工程。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Ms. Chan obtained her Bachelor's Degree in Accountancy from the City Polytechnic of Hong Kong in November 1992. She is a Certified Public Accountant and has been a member of the Hong Kong Institute of Certified Public Accountants since 2000. She has also been a fellow of the Association of Chartered Certified Accountants since 2004.

Independent Non-Executive Directors

Mr. Chan Kee Huen Michael ("Mr. Chan"), aged 64, was appointed as our independent non-executive Director on 19 February 2016. He is a member of our audit committee and nomination committee. Mr. Chan has over 25 years' experience in external audit, IT audit, training, accounting and finance, company secretarial and corporate administration, MIS management, internal audit, information security, risk management and compliance experience. Mr. Chan is a fellow of the Hong Kong Institute of Certified Public Accountants (previously known as the Hong Kong Society of Accountants) and the Association of Chartered Certified Accountants (previously known as the Chartered Association of Certified Accountants), a fellow and specialist in Information Technology of CPA Australia (previously known as the Australian Society of Certified Practising Accountants) and an associate of the Institute of Chartered Accountants in England and Wales. He was admitted as a certified information systems auditor with the Information Systems Audit and Control Association in 1985 and a fellow of the Hong Kong Institute of Directors in 2000. Mr. Chan was admitted as a member of the Chartered Institute of Arbitrators in 2000 and elected as a member of the Institute of Internal Auditors in 1997.

Mr. Chan is the chief executive of C&C Advisory Services Limited, and an independent non-executive director of Lansan Pharmaceutical Holdings Limited (stock code: 503) since 2010 and was an adjunct professor in the School of Accounting and Finance of The Hong Kong Polytechnic University from 2009 to 2014. With effect from 10 June 2016, Mr. Chan was appointed as an independent non-executive Director by Chun Sing Engineering Holdings Limited (stock code: 2277). Mr. Chan worked at CMG Life Assurance Limited (formerly Jardine CMG Life Assurance Limited) from 1991 to 1997 and his last position was general manager, compliance and corporate affairs. He was employed by Dao Heng Bank in 1996 as the group auditor (which subsequently acquired by DBS Bank (Hong Kong) Limited) and he ceased working for the bank in 2004 with his last position as managing director and head of compliance, Hong Kong and Greater China. Mr. Chan was also the group financial controller of Lam Soon (Hong Kong) Limited from 2004 to 2005, the project director of quality assurance of the Hong Kong Institute of Certified Public Accountants in 2005 and the deputy general manager of the compliance department of Ping An Insurance (Group) Company of China, Ltd. from 2006 to 2009. Mr. Chan graduated with a higher diploma in accountancy from Hong Kong Polytechnic in November 1976 and was awarded the postgraduate diploma in business administration from the University of Surrey in March 1998.

陳女士於一九九二年十一月取得香港城市理工學院會計學士學位。彼為執業會計師，且自二零零零年起為一直為香港會計師公會會員。自二零零四年起，彼亦一直為英國特許公認會計師公會資深會員。

獨立非執行董事

陳記煊先生(「陳先生」)，64歲，於二零一六年二月十九日獲委任為我們的獨立非執行董事。彼為我們的審核委員會兼提名委員會成員。陳先生在外聘審核、訊息科技審核、培訓、會計及金融、公司秘書及公司行政管理、資訊系統管理、內部審核、訊息安全、風險管理及合規等專業領域擁有超過25年的經驗。陳先生為香港會計師公會及英國特許公認會計師公會資深會員、澳洲會計師公會資深會員及訊息科技專家以及英格蘭及威爾士特許會計師公會會員。彼於一九八五年獲承認為國際信息系統審計與控制協會認可訊息系統審計師及於二零零零年獲承認為香港董事學會資深會員。陳先生於二零零零年獲認可為英國特許仲裁員協會會員並於一九九七年獲選為內部審計師學會(Institute of Internal Auditors)會員。

陳先生是思與智顧問有限公司的行政總裁，自二零一零年起為朗生醫藥控股有限公司(股份代號：503)的獨立非執行董事，且於二零零九年至二零一四年為香港理工大學會計及金融學院的兼任教授。陳先生獲委任為震昇工程控股有限公司(股份代號：2277)之獨立非執行董事，自二零一六年六月十日起生效。陳先生於一九九一年至一九九七年在康聯人壽保險有限公司(前稱怡和人壽保險有限公司)任職，離職前為合規及企業事務總經理。彼於一九九六年受僱於道亨銀行(後被星展銀行(香港)有限公司收購)，擔任集團核數師，彼於二零零四年從該銀行離職，離職前為香港及大中華地區董事總經理及合規主管。陳先生亦於二零零四年至二零零五年在南順(香港)有限公司擔任集團財務總監，於二零零五年擔任香港會計師公會專業水準審核總監，並於二零零六年至二零零九年擔任中國平安保險(集團)股份有限公司合規部副總經理。陳先生於一九七六年十一月畢業於香港理工學院，獲得高級會計文憑，並於一九九八年三月獲得薩里大學(University of Surrey)工商管理研究生文憑。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Mr. Cheng Yan Kee (“Mr. Cheng”), aged 61, was appointed as our independent non-executive Director on 19 February 2016. He is the chairman of our remuneration committee and a member of our audit committee and nomination committee. Mr. Cheng is an experienced professional in the structural and foundation design and supervision of building structures. Mr. Cheng obtained his Bachelor’s degree in Civil Engineering from Lehigh University, the United States of America in May 1977. Mr. Cheng has been a Fellow of the Institution of Civil Engineers since 2002. He has been a member of the American Society of Civil Engineers since 1981 and a member of the Hong Kong Institution of Engineers since 1980. Mr. Cheng is an Authorised Person and Registered Structural Engineer under the Buildings Ordinance. He is also a Class 1 structural engineer registered with the National Administration Board of Engineering Registration (Structural) of the PRC. He is the managing director of H. K. Cheng & Partners Limited, an engineering consultancy firm in Hong Kong.

Mr. Cheng was elected a Fellow of the Institution of Structural Engineers in 1990 and served as President of such institution, being the world’s leading professional body for qualifications and standards in structural engineering, for 2013. Mr. Cheng was chairman of the Council of the Hong Kong Baptist University from January 2013 to December 2015, he was reappointed to serve a second term from January 2016 to December 2018. He was a member of the Hospital Authority between 2009 and 2015, the Hong Kong Housing Authority between 2000 and 2006 and the Town Planning Board between 2006 and 2012. He served as a chairman of the Corruption Prevention Advisory Committee under the Independent Commission Against Corruption between 1999 and 2000. He is a council member of China Soong Ching Ling Foundation, a charitable organization based in Beijing. He was appointed as Justice of the Peace in 2000 and was awarded the Bronze Bauhinia Star by the Hong Kong SAR Government in 2015.

Mr. Cheung Chi Fai Frank (“Mr. Cheung”), aged 53, was appointed as our independent non-executive Director on 19 February 2016. He is chairman of our audit committee and a member of our remuneration committee. Mr. Cheung has been appointed as company secretary and chief financial officer of China Weaving Materials Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3778) in 2011. He has also been an independent non-executive director of Continental

鄭恩基先生(「鄭先生」)，61歲，於二零一六年二月十九日獲委任為我們的獨立非執行董事。彼為薪酬委員會主席、審核委員會兼提名委員會成員。鄭先生在結構與地基設計以及監督樓宇結構方面為經驗豐富的專業人士。鄭先生於一九七七年五月獲得美利堅合眾國理海大學(Lehigh University)土木工程學士學位。鄭先生自二零零二年起一直為英國土木工程師學會資深會員。彼自一九八一年起一直為美國土木工程協會(American Society of Civil Engineers)會員及自一九八零年起一直為香港工程師學會會員。鄭先生屬於建築物條例中的認可人士及註冊結構工程師。彼亦為中國全國註冊工程師管理委員會(結構)的第一類註冊結構工程師。彼為一間香港工程顧問公司鄭漢鈞顧問工程師有限公司的董事總經理。

鄭先生於一九九零年獲選為結構工程師學會(為世界上領先的結構工程資格及標準專業機構)資深會員且於二零一三年擔任該學會會長。鄭先生於二零一三年一月至二零一五年十二月擔任香港浸會大學校董會主席，於二零一六年一月至二零一八年十二月，彼再次獲委任為主席。於二零零九年至二零一五年，彼為醫院管理局成員，於二零零零年至二零零六年為香港房屋委員會成員，及於二零零六年至二零一二年為城市規劃委員會成員。於一九九九年至二零零零年，彼擔任廉政公署防止貪污諮詢委員會主席。彼為中國宋慶齡基金會(位於北京的一個慈善組織)的理事成員。彼於二零零零年獲委任為太平紳士，並於二零一五年獲香港特區政府授予銅紫荊星章。

張志輝先生(「張先生」)，53歲，於二零一六年二月十九日獲委任為我們的獨立非執行董事。彼為審核委員會主席兼薪酬委員會成員。張先生於二零一一年獲委任為中國織材控股有限公司(一家在聯交所主板上市的公司，股份代號：3778)的公司秘書兼財務總監。彼亦自二零一零年以來一直擔任恆和珠寶集團有限公司(一家在聯交所主板上市的公司)

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 513) since 2010. He obtained an MBA from the University of Technology, Sydney in September 1995 and a professional diploma in Accountancy from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in November 1985. He has been admitted as an associate of the Hong Kong Institute of Certified Public Accountants since 1989 and a fellow of the Association of Chartered Certified Accountants since 1994. Mr. Cheung was a part-time tutor at The Open University of Hong Kong from March 2009 to July 2011. He was an executive director of Sun Innovation Holdings Limited (now known as Digital Domain Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 547) from 2004 to 2007, and acted as the chief financial officer and qualified accountant from 2007 to 2008. He was an independent non-executive director of LJ International Inc. (NASDAQ: JADE) from June 2007 to October 2007, a director of e-Lux (Hong Kong) Company Limited (now Quants Capital (Hong Kong) Limited), a subsidiary of e-Lux Corporation (NASDAQ: 6811) (now known as Quants Inc.) from 2001 to 2003, he was in charge of the telecommunications value added services in Hong Kong, Taiwan and the PRC. He was a director of New Media Corporation, a subsidiary of e-New Media Company Limited (now known as ENM Holdings Limited), a company listed on the Stock Exchange (stock code: 128) from 1999 to 2000.

Professor Chung Hung Kwan Barnabas (“Professor Chung”), aged 68, was appointed as our independent non-executive Director on 19 February 2016. He is a member of our audit committee, remuneration committee and nomination committee. Professor Chung is an authorized person (surveyor) registered under the Buildings Ordinance and a registered professional surveyor (building surveyor) under the Surveyors Registration Ordinance. He is currently an Honorary Professor in the Department of Real Estate and Construction of The University of Hong Kong and the Chairman of the Board of Membership of the Hong Kong Institute of Surveyors. In addition, he was an honorary advisor of the Guangdong Province Association of Engineer Consultants from 2011 to 2015 and a visiting professor in the Department of Building & Real Estate of The Hong Kong Polytechnic University from July 2014 to September 2015.

司，股份代號：513)的獨立非執行董事。彼於一九九五年九月取得悉尼科技大學的工商管理碩士學位及於一九八五年十一月取得香港理工學院(現稱香港理工大學)專業會計文憑。彼自一九八九年起一直獲認為香港會計師公會會員及自一九九四年起為英國特許公認會計師公會資深會員。於二零零九年三月至二零一一年七月，張先生擔任香港公開大學的兼職導師。於二零零四年至二零零七年，彼擔任奧亮集團有限公司(現稱數字王國集團有限公司，一家在聯交所主板上市的公司，股份代號：547)的執行董事，於二零零七年至二零零八年擔任財務總監兼合資格會計師。彼於二零零七年六月至二零零七年十月為LJ International Inc.(納斯達克股份代號：JADE)的獨立非執行董事，彼於二零零一年至二零零三年為e-Lux Corporation(嘉斯達克股份代號：6811)(現稱Quants Inc.)的附屬公司e-Lux (Hong Kong) Company Limited(現稱Quants Capital (Hong Kong) Limited)的董事，負責在香港、台灣及中國的電信增值服務。彼於一九九九年至二零零零年擔任安寧數碼科技有限公司(現稱安寧控股有限公司，一家在聯交所上市的公司，股份代號：128)的附屬公司New Media Corporation的董事。

鍾鴻鈞教授(「鍾教授」)，68歲，於二零一六年二月十九日獲委任為我們的獨立非執行董事。彼為我們的審核委員會、薪酬委員會及提名委員會成員。鍾教授為根據建築物條例註冊的授權人士(測量師)及根據測量師註冊條例註冊的專業測量師(建築測量師)。彼現為香港大學房地產及建築系名譽教授及香港測量師學會的會籍委員會主席。此外，彼於二零一一年至二零一五年曾為廣東省建設監理協會榮譽顧問，及於二零一四年七月至二零一五年九月曾為香港理工大學建築與房地產系客座教授。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Senior Management

Mr. Wong Wai Nam (“Mr. Wong”), aged 53, serves as the director – technical of our Group. He is responsible for overseeing the technical designs of foundation works and technical department of our Group. Mr. Wong joined our Group as director – technical in March 2014 and has over 30 years of experience in the foundation, construction and engineering industry. Mr. Wong obtained a higher certificate in civil engineering from The Hong Kong Polytechnic University (previously known as Hong Kong Polytechnic) in November 1986. Mr. Wong became a registered structural engineer in Hong Kong in August 2010 and a registered inspector in Hong Kong in May 2012. He has been admitted as a member of The Hong Kong Institution of Engineers since September 1998 and as a Chartered Engineer of the Institution of Structural Engineers, the United Kingdom, since February 1998. Mr. Wong was employed as technical director of Meinhardt (C&S) Limited from 2009 to 2014. Mr. Wong was previously employed in the foundation, construction and engineering industry with several companies and the Housing Department, the executive arm of the Hong Kong Housing Authority between 1983 and 1992.

Mr. Tse Wai Kwong (“Mr. Tse”), aged 51, serves as the project director of our Group. He is responsible for the overall management of our Group’s tendering process, foundation work, cost and quality control, safety management. Mr. Tse joined our Group as senior contracts manager in January 2014 and has over 25 years of experience in the foundation, construction and engineering industry. He was promoted to project director of our Group in April 2015. Mr. Tse obtained a master’s degree in civil and structural engineering from The University of Sheffield, the United Kingdom in December 1991 and obtained a higher diploma in civil engineering from The Hong Kong Polytechnic University (previously known as Hong Kong Polytechnic) in November 1988. Mr. Tse was employed as manager in Hsin Chong Construction Company Limited, a subsidiary of Hsin Chong Construction Group Ltd. (stock code: 404), between 2010 and 2014. Mr. Tse was previously employed in the foundation, construction and engineering industry with several companies between 1988 and 2010.

Mr. Fung Kin Shing (“Mr. Fung”), aged 43, serves as the project director of our Group. Mr. Fung was approved as the authorized signatory of K. H. Foundations Ltd. under the Buildings Ordinance in December 2014. He is responsible for the overall management of our Group’s tendering process, foundation work, cost and quality control and safety management. Mr. Fung joined our Group as project director in September 2013 and has over 23 years of experience in the foundation, construction and engineering industry. Mr. Fung obtained a Master’s degree in Civil Engineering from The Hong Kong University of Science and Technology in November 2002 and obtained a Bachelor’s degree in Building Management from

高級管理層

黃偉南先生(「黃先生」)，53歲，擔任本集團技術總監。彼負責監督本集團地基工程及技術部門的技術設計。黃先生於二零一四年三月加入本集團擔任技術總監，其在地基、建築及工程行業擁有逾30年經驗。黃先生於一九八六年十一月取得香港理工大學(前稱香港理工學院)土木工程高級證書。黃先生於二零一零年八月成為香港註冊結構工程師及於二零一二年五月成為香港註冊檢驗人員。彼自一九九八年九月起獲認可為香港工程師學會會員及自一九九八年二月起獲認可為英國結構工程師學會特許工程師。黃先生於二零零九年至二零一四年受聘為邁進土木結構工程顧問有限公司的技術總監。一九八三年至一九九二年間，黃先生先後受聘於多家公司的地基、建築及工程行業以及屋宇署(香港房屋委員會的執行機構)。

謝偉光先生(「謝先生」)，51歲，擔任本集團項目總監。彼負責整體管理本集團的競標流程、地基工程、成本與質量控制及安全管理。謝先生於二零一四年一月加入本集團擔任高級合約經理，其在地基、建築及工程行業擁有逾25年經驗。彼於二零一五年四月被擢升為本集團項目總監。謝先生於一九九一年十二月取得英國謝菲爾德大學(The University of Sheffield)土木及結構工程碩士學位及於一九八八年十一月取得香港理工大學(前稱香港理工學院)土木工程高級文憑。謝先生於二零一零年至二零一四年受聘為新昌營造集團有限公司(股份代號：404)的附屬公司新昌營造廠有限公司的經理。謝先生過往於一九八八年至二零一零年間曾在地基、建築及工程行業受僱於多家公司。

馮健誠先生(「馮先生」)，43歲，擔任本集團項目總監。馮先生於二零一四年十二月根據建築物條例獲批准擔任劍虹地基有限公司的授權簽署人。彼負責整體管理本集團的競標流程、地基工程、成本與質量控制及安全管理。馮先生於二零一三年九月加入本集團擔任項目經理，其在地基、建築及工程行業擁有逾23年經驗。馮先生於二零零二年十一月取得香港科技大學土木工程學碩士學位及於一九九七年六月取得位於英國紐卡斯爾的諾森比亞大學(University of Northumbria)建

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

the University of Northumbria at Newcastle, the United Kingdom, in June 1997. Mr. Fung became a registered professional engineer in civil engineering (general) with the Institution of Engineers, Australia, in September 2006. He was elected as member of the Chartered Professional Engineer of Engineers Australia in the Civil College in September 2006. He has been admitted as a member of The Hong Kong Institution of Engineers since September 2014, as a member of the Institution of Civil Engineers since September 2011, as a Chartered Engineer of the Engineering Council since October 2011 and as a Registered Professional Engineer (Civil) from June 2016 to May 2017. Mr. Fung was employed as a technical staff in the capacity of a senior field geotechnical engineer in On U Pty Ltd, Australia in 2013. He was employed as senior geotechnical engineer in Aargus Pty Ltd, Australia between 2012 and 2013. Mr. Fung was previously employed in the foundation, construction and engineering industry with several companies and the Water Supplies Department of the Government between 1992 and 2011.

Mr. Ho Cheuk Wai (“Mr. Ho”), aged 54, joined our Group and was appointed as our financial controller in August 2014 and our company secretary in September 2015. Mr. Ho is responsible for overseeing the accounting activities and internal control of our Group and engages in all aspects of corporate finance functions. He graduated with a degree of Master of Science in Business Information Technology from Middlesex University in January 2003 and a degree of Master of Business Administration from the University of Wales, Bangor in cooperation with the Manchester Business School (now known as the Bangor University) in July 1997, both of which were distance learning programs. He became an associate of the Hong Kong Society of Accountants in 1994 and was admitted an associate of the Chartered Association of Certified Accountants in 1995. He was also admitted as a fellow of the Association of Chartered Certified Accountants in 2000. Prior to joining our Group, he served as the financial controller and the company secretary of Ngai Shun Holdings Limited (a company listed on the Main Board of the Stock Exchange with stock code: 1246) during the period of May 2013 and January 2014. He also acted as the financial controller and the company secretary of South West Eco Development Limited (a company previously listed on the GEM board of the Stock Exchange with stock code: 8291; now listed on the Main Board of the Stock Exchange with stock code: 1908) during the period from May 2012 to May 2013, and he was the financial controller in other companies in Hong Kong, namely Cetec Limited, China Water Company Limited, Chung Fu Property Group Company Limited, Mission Hills Group, and CBI Investment Limited during the period from January 2010 to April 2012, from September 2008 to January 2010, from January 1999 to March 2008, from April 1995 to November 1998, and from July 1990 to March 1995, respectively.

築管理學學士學位。馮先生於二零零六年九月成為澳大利亞工程師學會的註冊專業工程師(土木工程(一般類))。彼於二零零六年九月獲選舉為土木學院澳大利亞工程師學會特許專業工程師。彼自二零一四年九月起獲認可為香港工程師學會會員、自二零一一年九月起獲認可為土木工程師學會會員，自二零一一年十月起獲認可為工程學會特許工程師，並於二零一六年六月至二零一七年五月為註冊專業工程師(土木工程)。馮先生於二零一三年以高級土力工程師技術人員身份受聘於澳大利亞On U Pty Ltd。彼於二零一二年至二零一三年受聘為澳大利亞Aargus Pty Ltd的高級土力工程師。馮先生過往於一九九二年至二零一一年間曾在地基、建築及工程行業受僱於多家公司及政府水務署。

何焯偉先生(「何先生」)，54歲，於二零一四年八月加入本集團及獲委任為我們的財務總監及於二零一五年九月獲委任為我們的公司秘書。何先生負責監督本集團的會計事務及內部監控，並從事各方面的企業融資。彼於二零零三年一月畢業於密德薩斯大學(Middlesex University)，取得商業資訊科技理學碩士學位，並於一九九七年七月獲得威爾士大學班戈分校(University of Wales, Bangor)與曼徹斯特商學院(Manchester Business School(現稱班戈大學(Bangor University)))聯合頒發的工商管理碩士學位，上述兩科均為遙距教育課程。彼於一九九四年成為香港會計師公會會員及於一九九五年獲認可為英國特許會計師公會會員。彼於二零零零年亦成為英國特許公認會計師公會資深會員。在加入本集團之前，彼於二零一三年五月至二零一四年一月期間擔任毅信控股有限公司(一家於聯交所主板上市的公司，股份代號：1246)的財務總監兼公司秘書。彼由二零一二年五月至二零一三年五月亦擔任西南環保發展有限公司(一間過往於聯交所創業板上市的公司，股份代號：8291；現於聯交所主板上市，股份代號：1908)的財務總監兼公司秘書，並分別由二零一零年一月至二零一二年四月、由二零零八年九月至二零一零年一月、由一九九九年一月至二零零八年三月、由一九九五年四月至一九九八年十一月及由一九九零年七月至一九九五年三月擔任香港其他公司(即Cetec Limited、匯津中國有限公司、中富地產有限公司、駿豪集團有限公司及CBI投資有限公司)的財務總監。

DIRECTORS' REPORT

董事會報告

The Board submits the Directors' Report together with the audited financial statements of the Group for the year ended 31 March 2016.

Principal Activities

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of foundation works and ancillary services in Hong Kong. The principal activities of the subsidiaries of the Company are set out in note 32 to the consolidated financial statements.

Business Review

The business review of the Group for the year is included in the Chairman's Statement and Management Discussion and Analysis in this annual report on pages 6 to 17.

Group Reorganisation

The Company was incorporated in the Cayman Islands on 23 July 2015 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised), of the Cayman Islands. In preparation of the listing of the Company's shares on the Stock Exchange, the Group underwent the reorganisation pursuant to which the Company became the holding company of the companies now comprising the Group on 25 January 2016. For details of the Group Reorganisation, please refer to note 2 to the consolidated financial statements.

The Listing was completed during the year under review.

Results And Dividends

The results of the Group for the year ended 31 March 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 45 of this annual report.

During the year ended 31 March 2016, the Group declared and paid special dividend of HK\$25,200,000 (2015: Nil) to its then shareholder.

The Board did not recommend the payment of final dividend for the year ended 31 March 2016.

董事會謹此提呈董事會報告連同本集團截至二零一六年三月三十一日止年度的經審核財務報表。

主要業務

本公司的主要業務為投資控股。本集團主要業務為在香港提供地基工程及配套服務。本公司附屬公司的主要業務載列於綜合財務報表附註32。

業務回顧

本集團於本年度的業務回顧已載於本年報第6至17頁的主席報告及管理層討論與分析內。

集團重組

本公司於二零一五年七月二十三日根據開曼群島公司法第22章(一九六一年第3號法例，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。為籌備本公司股份於聯交所上市，本集團曾進行集團重組，據此，本公司於二零一六年一月二十五日成為本集團現時旗下公司的控股公司。請參閱綜合財務報表附註2，以瞭解集團重組的詳情。

上市已於回顧年度完成。

業績及股息

本集團截至二零一六年三月三十一日止年度之業績載於本年報第45頁之綜合損益及其他全面收益表。

於截至二零一六年三月三十一日止年度，本集團向其當時的股東宣派及派付特別股息25,200,000港元(二零一五年：零)。

董事會不建議派付截至二零一六年三月三十一日止年度的末期股息。

DIRECTORS' REPORT 董事會報告

Financial Summary

A summary of the published results and of the assets and liabilities of the Group for the last four financial years is set out on page 112 of this annual report.

Donations

Charitable and other donations made by the Group during the year ended 31 March 2016 amounted to HK\$50,000.

Distributable Reserves

Distributable reserves of the Company at 31 March 2016, calculated under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised), of the Cayman Islands, amounted to approximately HK\$180.1 million (2015: approximately HK\$80.5 million).

Details of the use of proceeds from the Listing are set out on page 13 of this annual report.

Shares Issued in the Year

Details of the shares issued in the year ended 31 March 2016 are set out in note 28 to the consolidated financial statements.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Company's articles of association and there was no restriction against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

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 since the Listing Date and up to 31 March 2016.

Share Option Scheme

A share option scheme (the "Scheme") was adopted pursuant to a shareholders' written resolution of the Company passed on 19 February 2016. No share options have been granted, exercised or cancelled under the Scheme since its adoption date and up to the date of this annual report. The Scheme will remain in force for a period of 10 years after the date of adoption.

財務概要

本集團過去四個財政年度已刊發業績以及資產及負債的概要載於本年報第112頁。

捐獻

本集團於截至二零一六年三月三十一日止年度作出的慈善及其他捐獻合共50,000港元。

可分派儲備

於二零一六年三月三十一日，本公司根據開曼群島法例第22章公司法（一九六一年第3號法例，經綜合及修訂）計算的可供分派儲備約180.1百萬港元（二零一五年：約80.5百萬港元）。

上市所得款項淨額用途之詳情載於本年報第13頁。

年內已發行股份

於截至二零一六年三月三十一日止年度的已發行股份詳情載於綜合財務報表附註28。

優先購買權

本公司的組織章程細則並無有關優先購買權的條文，而開曼群島法例並無對該等權利施加限制，規定本公司須按比例向現有股東提呈新股份。

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司自上市日期起至截至二零一六年三月三十一日為止，概無購買、出售或贖回本公司任何上市證券。

購股權計劃

本公司根據於二零一六年二月十九日通過的股東書面決議案，採納一項購股權計劃（「該計劃」）。自採納日期起至截至本年報日期為止，並無根據該計劃授出、行使或註銷任何購股權。該計劃將於採納日期後十年期間生效。

DIRECTORS' REPORT 董事會報告

Further details of the Scheme are set out in note 29 to the consolidated financial statements.

Directors

The Directors during the financial year and up to the date of this report were:

Executive Directors

Mr. Yu Shiu Tin Paul (*Chairman*)
Mr. Yeung Sau Ming Boris (*Deputy Managing Director*)
Ms. Chan Lai Kuen

Independent Non-Executive Directors

Mr. Chan Kee Huen Michael*
Mr. Cheng Yan Kee*
Mr. Cheung Chi Fai Frank*
Professor Chung Hung Kwan Barnabas*

* (appointed on 19 February 2016)

In accordance with articles 108 and 109 of the articles of association of the Company. Mr. Chan Kee Huen Michael and Mr. Cheng Yan Kee, both being independent non-executive Directors and Ms. Chan Lai Kuen as an executive Director, will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

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

Directors' Service Contracts

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

該計劃之進一步詳情載於綜合財務報表附註29。

董事

於財政年度至截至本報告日期止的本公司董事如下：

執行董事

余嘯天先生(主席)
楊秀明先生(副董事總經理)
陳麗娟女士

獨立非執行董事

陳記煊先生*
鄭恩基先生*
張志輝先生*
鍾鴻鈞教授*

* (於二零一六年二月十九日獲委任)

根據本公司組織章程細則第108及109條，獨立非執行董事陳記煊先生及鄭恩基先生及執行董事陳麗娟女士將於應屆股東週年大會上告退，並符合資格及願意重選連任。

本公司已接獲每位獨立非執行董事根據上市規則第3.13條就其獨立性作出的年度確認書。本公司認為所有獨立非執行董事均為獨立人士。

董事的服務合約

概無擬於應屆股東週年大會上重選連任的董事與本集團任何成員公司訂有不可由本集團於一年內終止而毋須支付補償款項(法定補償除外)的服務合約。

DIRECTORS' REPORT 董事會報告

Directors'/Controlling Shareholders' Material Interests in Transactions, Arrangements and Contracts that are Significant in Relation to the Group's Business

Save for transactions in connection with the Group Reorganisation in preparation for the Listing as disclosed in the Prospectus and save for disclosed elsewhere in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent companies was a party and in which a Director or controlling shareholders of the Company and the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Biographical Details of Directors and Senior Management

Brief biographical details of Directors and senior management are set out on pages 27 to 33.

Disclosure of Interests

As at 31 March 2016, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules, are as follows:

(a) Directors' Interest in The Company:

(i) Long position in our shares

| Name of Director 董事姓名 | Capacity/nature 身份/性質 | No. of Shares held 所持股份數目 | Approximate percentage of shareholding 股權概約百分比 |
|---|---|------------------------------|---|
| Mr. Yeung Sau Ming Boris ("Mr. Yeung") 楊秀明先生(「楊先生」) | Interest in a controlled corporation 受控法團權益 | 300,000,000 | 75% |

Note:

- These shares are held by New Grace Gain Limited (the "New Grace Gain"). New Grace Gain is 40% beneficially owned by Mr. Yeung and therefore, Mr. Yeung is deemed to be interested in the shares held by New Grace Gain under the SFO.

董事/控股股東於對本集團業務而言屬重大的交易、安排及合約中擁有的重大權益

除招股章程所披露本公司為籌備上市而進行的集團重組所涉及的交易及於本年報其他章節所披露者外，本公司的附屬公司、同系附屬公司或母公司於年末或年內任何時間，並無訂有任何對本集團業務而言屬重大且本公司董事或控股股東及董事的關連人士於當中擁有重大權益(不論直接或間接)的交易、安排及合約。

董事及高級管理層履歷

董事及高級管理層履歷載於第27至第33頁。

權益披露

於二零一六年三月三十一日，董事於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有根據證券及期貨條例第352條須予存置的登記冊所記錄的權益及淡倉，或根據上市規則附錄10所載的上市發行人董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉如下：

(a) 董事於本公司的權益：

(i) 於股份的好倉

附註：

- 該等股份由New Grace Gain Limited (「New Grace Gain」)持有。New Grace Gain則由楊先生實益擁有40%，因此，根據證券及期貨條例，楊先生被視為於New Grace Gain持有的股份中擁有權益。

DIRECTORS' REPORT
董事會報告

(ii) Long position in the ordinary shares of our associated corporation

(ii) 於相聯法團普通股的好倉

| Name of Director 董事姓名 | Name of associated corporation 相聯法團的名稱 | Capacity/nature 身份／性質 | No. of Shares held in associated corporation 於相聯法團所持股份數目 | Approximate percentage of shareholding in associated corporation 佔相聯法團股權的概約百分比 |
|--------------------------|---|--|---|---|
| Mr. Yeung 楊先生 | New Grace Gain | Interest in a controlled corporation 受控法團權益 | 40 | 40% |

So far as the Directors are aware, as at 31 March 2016 the interest and short positions of the persons, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO are as follows:

就董事所知，於二零一六年三月三十一日，以下人士（不包括本公司董事及行政總裁）於本公司股份及相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊所記錄的權益及淡倉：

(b) Substantial Shareholders' Interests in the Company

The Company's controlling shareholders have not pledged all or part of their interest in the Company's shares to secure the Company and its subsidiaries' debts or to secure guarantees or other support of their obligations.

(b) 主要股東於本公司的權益

本公司的控股股東並無將彼等於本公司股份的全部或部分權益抵押，以作為本公司及其附屬公司債務之抵押或擔保或其責任的其他資助之抵押。

| Name 姓名／名稱 | Nature of Interest 權益性質 | Number of shares held 所持股份數目 | Approximate Percentage of interest in our Company 佔本公司權益的概約百分比 |
|--|--|---------------------------------|---|
| New Grace Gain (Note 1) New Grace Gain(附註1) | Beneficial interest 實益權益 | 300,000,000 | 75% |
| Mr. Yeung (Note 1) 楊先生(附註1) | Interest in a controlled corporation 受控法團權益 | 300,000,000 | 75% |
| Mr. Lau Tai Wah Gilbert ("Mr. Lau") (Note 1) 劉泰華先生(「劉先生」) (附註1) | Interest in a controlled corporation 受控法團權益 | 300,000,000 | 75% |
| Mr. Yue Suen Leung ("Mr. Yue") (Note 1) 余孫良先生(「余先生」) (附註1) | Interest in a controlled corporation 受控法團權益 | 300,000,000 | 75% |

DIRECTORS' REPORT 董事會報告

Note:

- (1) These shares are held by New Grace Gain. New Grace Gain was owned as to 40% by Mr. Yeung, 30% by each of Mr. Lau and Mr. Yue respectively. Each of Mr. Yeung, Mr. Lau and Mr. Yue is deemed to be interested in the shares of the Company held by New Grace Gain under the SFO, while Mr. Yeung, Mr. Lau and Mr. Yue is a group of controlling shareholders. Mr. Yeung, Mr. Lau and Mr. Yue are not actual concert parties under the definition of the Takeovers Code.

Management Contracts

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.

Deed of Non-Competition

The controlling shareholders have confirmed to the Company of their compliance with the non-competition undertakings provided to the Company under a deed of non-competition dated 19 February 2016.

Major Customers and Suppliers

During the year ended 31 March 2016, the Group's five largest customers in aggregate accounted for approximately 96.3% (2015: approximately 86.5%) of the Group's total turnover. The largest customer accounted for approximately 56.2% (2015: approximately 53.7%) of the Group's total turnover.

During the year ended 31 March 2016, the Group's five largest sub-contractors in aggregate accounted for approximately 60.9% (2015: approximately 65.8%) of the Group's total sub-contracting fee. The largest sub-contractor accounted for approximately 16.9% (2015: approximately 34.6%) of the Group's total sub-contracting fee.

During the year ended 31 March 2016, the Group's five largest suppliers in aggregate accounted for approximately 89.1% (2015: approximately 79.0%) of the Group's total material costs. The largest supplier accounted for approximately 51.4% (2015: approximately 28.5%) of the Group's total material costs.

To the best of the knowledge of the Directors, none of the Directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in these major customers, sub-contractors and suppliers.

Related Party Transactions

The significant related party transactions entered into by the Group during the year ended 31 March 2016 set out in note 37 to the consolidated financial statements included transactions that constitute connected/continuing connected transactions for which the disclosure requirements under the Listing Rules have been complied with.

附註：

- (1) 該等股份由 New Grace Gain 持有。New Grace Gain 則由楊先生、劉先生及余先生分別各持有 40%、30% 及 30%。根據證券及期貨條例，楊先生、劉先生及余先生各自被視為於 New Grace Gain 持有的本公司股份中擁有權益，而楊先生、劉先生及余先生為一組控股股東。楊先生、劉先生及余先生並非收購守則所界定的真正一致行動人士。

管理合約

於年內概無訂立或存有關於本公司全部或任何重大部分業務的管理及行政方面的合約。

不競爭契據

控股股東已向本公司確認，彼等已遵守根據日期為二零一六年二月十九日的不競爭契據向本公司作出的不競爭承諾。

主要客戶及供應商

於截至二零一六年三月三十一日止年度，本集團五大客戶合共佔本集團總營業額約 96.3% (二零一五年：約 86.5%)。最大客戶佔本集團總營業額約 56.2% (二零一五年：約 53.7%)。

於截至二零一六年三月三十一日止年度，本集團五大分包商合共佔本集團總分包費約 60.9% (二零一五年：約 65.8%)。最大分包商佔本集團總分包費約 16.9% (二零一五年：約 34.6%)。

於截至二零一六年三月三十一日止年度，本集團五大供應商合共佔本集團總建材成本約 89.1% (二零一五年：約 79.0%)。最大供應商佔本集團總建材成本約 51.4% (二零一五年：約 28.5%)。

就董事所知，概無董事、彼等的聯繫人士或任何股東(就董事所知擁有本公司股本 5% 以上的人士)於上述主要客戶、分包商及供應商中擁有權益。

關聯方交易

本集團於截至二零一六年三月三十一日止年度訂立的重大關聯交易載於綜合財務報表附註 37，包括構成關連／持續關連交易的交易，而本集團已就該等交易遵守上市規則的披露規定。

DIRECTORS' REPORT 董事會報告

Continuing Connected Transactions

During the year ended 31 March 2016, the Group had the following continuing connected transactions:

Exempt continuing connected transactions under 14A.76(1) of the Listing Rules

During the year ended 31 March 2016, we had a sub-tenancy arrangement with Tactful Group (Holdings) Limited ("Tactful Holdings"). One of our controlling shareholders, Mr. Yeung, owned 75% shareholding in Tactful Holdings. Accordingly, Tactful Holdings is a connected person of our Company for the purposes of the Listing Rules. Such transaction will constitute a continuing connected transaction for our Company under the Listing Rules under Rule 14A.31 upon the Listing (the "Transaction"). Details of the Transaction are as follows:

持續關連交易

於截至二零一六年三月三十一日止年度，本集團的持續關連交易如下：

上市規則第14A.76(1)條下的獲豁免持續關連交易

於截至二零一六年三月三十一日止年度，我們與達高集團(控股)有限公司(「達高控股」)有一項分租安排。我們的控股股東之一楊先生擁有達高控股75%的股權。因此，就上市規則而言，達高控股為本公司的關連人士。該交易於上市後將構成上市規則第14A.31條項下本公司的一項持續關連交易(「交易」)。交易的詳情如下：

Details of the Lease 租賃詳情

| | |
|--|--|
| Tenant 承租人 | Tactful Group (Holdings) Limited 達高集團(控股)有限公司 |
| Sub-tenant 分租戶 | K. H. Foundations Limited 劍虹地基有限公司 |
| Location of property 物業的位置 | 10th Floor, Liven House, 61-63 King Yip Street, Kwun Tong, Kowloon, Hong Kong 香港九龍觀塘敬業街61至63號利維大廈10樓 |
| Size of leased area in the property 物業租賃面積大小 | 675.4 sq. m. (net) 675.4平方米(淨) |
| Term 租期 | 1 December 2014 to 30 November 2016 二零一四年十二月一日至二零一六年十一月三十日 |
| Monthly rent payable 每月應付租金 | HK\$107,080 (inclusive of government rent, rates and management fee) 107,080港元(包括地租、差餉及管理費) |
| Use of property 物業的用途 | Office premises 辦公場所 |
| Notice period 通知期間 | The sub-tenant is not permitted to terminate this agreement during the term of this agreement 分租戶在該協議期間內不得終止該協議 |

DIRECTORS' REPORT 董事會報告

Our Directors anticipate that the maximum amount of rent payable to Tactful Holdings under the sub-tenancy agreement for the years ending 31 March 2016, 2017 and 2018 shall not exceed the proposed caps of approximately HK\$1.3 million, approximately HK\$1.4 million and approximately HK\$1.5 million, respectively. In arriving at the above proposed annual caps, our Directors have considered (i) the current rental fee paid by Tactful Holdings to the property owner; (ii) the current rental fee paid by our Group to Tactful Holdings; (iii) the area rented and occupied by our Group in the property; and (iv) the estimated increase in rental fee payable by Tactful Holdings to the property owner.

Implication under the Listing Rules

Since each of the applicable ratios calculated with reference to Rule 14.07 of the Listing Rules is expected to be less than 5% and the annual consideration is less than HK\$3,000,000, the Transaction will constitute an exempt continuing connected transaction of our Company under Rule 14A.76(1) of the Listing Rules. Accordingly, the Transaction will be exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules upon Listing.

Our Directors' Confirmation

The independent non-executive Directors, after reviewing the sub-tenancy agreement, confirm that the terms under the sub-tenancy agreement are fair and reasonable and in the interests of our Company and our shareholders as a whole, and the sub-tenancy agreement has been entered into as part of our Group's ordinary and usual course of business, on an arm's length basis by reference to prevailing market rates and upon normal commercial terms. Our Directors also confirm that they obtained and reviewed an opinion from an independent valuer in respect of the rental fee of the sub-tenancy agreement. The independent valuer is of the view that the rental fee is comparable to the prevailing market rates for similar premises in the vicinity.

截至二零一六年、二零一七年及二零一八年三月三十一日止年度，根據分租協議，董事預期應付達高控股的最高租金金額分別不超過約1.3百萬港元、約1.4百萬港元及約1.5百萬港元的建議上限。董事釐定上述的建議年度上限時，已考慮(i)達高控股現時向物業擁有人支付的租金；(ii)本集團現時向達高控股支付的租金；(iii)本集團租用及佔有該物業的面積；及(iv)達高控股應付物業擁有人的估計租金增幅。

上市規則的涵義

由於參考上市規則第14.07條計算的各項適用比率預期將低於5%，且年度代價少於3,000,000港元，故此項交易將構成上市規則第14A.76(1)條項下本公司的一項獲豁免持續關連交易。因此，是項交易於上市後將豁免遵守上市規則第14A章下的申報、年度審閱、公告、通函及獨立股東批准規定。

董事確認

獨立非執行董事經審閱分租協議後確認，分租協議項下的條款屬公平合理，符合本公司及股東的整體利益，且分租協議乃於本集團日常正常業務過程中、在公平磋商的基礎上，參考現行市價及根據一般商業條款訂立。董事亦確認，彼等已取得及審閱獨立估值師關於分租協議租金費用的意見。獨立估值師認為，租金費用與附近類似物業的現行市場租金相近。

DIRECTORS' REPORT 董事會報告

Market Capitalisation

As at 31 March 2016, the market capitalisation of the listed securities of the Company was approximately HK\$528 million based on the total number of 400,000,000 issued shares of the Company and the closing price of HK\$1.32 per share.

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 prescribed public float under the Listing Rules from the Listing Date and up to the date of this report.

Corporate Governance

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 18 to 26.

Permitted Indemnity Provision

The Company's Articles provides that every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of duties of his/her office or otherwise in relation thereto provided that such indemnity shall not extend to any matter in respect of fraud or dishonesty which may attach to the Director.

The Company has taken out and maintained Directors' liability insurance throughout the year, which provides appropriate cover for the Directors.

Events after the Reporting Period

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2016 and up to the date of this annual report.

Auditor

The consolidated financial statements for the year ended 31 March 2016 have been audited by RSM Hong Kong, who will retire and, being eligible, offer themselves for reappointment at the forthcoming annual general meeting of the Company.

On behalf of the Board
Mr. Yu Shiu Tin Paul
Chairman

Hong Kong, 22 June 2016

市值

於二零一六年三月三十一日，按本公司已發行股份總數400,000,000股以及每股收市價1.32港元計算，本公司上市證券的市值約528百萬港元。

足夠公眾持股量

根據本公司獲得的公開資料及就董事所知，本公司自上市日期至截至本報告日期一直維持上市規則訂明的公眾持股量。

企業管治

本公司所採納之主要企業管治常規載於企業管治報告第18至26頁。

獲准許彌償條文

本公司細則規定，就其任期內或因執行其職務而可能遭致或發生與此相關之所有損失或責任，每位董事有權從本公司資產中獲得賠償，惟與董事本身之欺詐或不誠實事宜有關者除外。

本公司已於整個年度內投購及維持董事責任保險，為董事提供適當的保障。

報告期後事項

本公司或本集團於二零一六年三月三十一日後及截至本年報日期並無進行任何重大期後事項。

核數師

截至二零一六年三月三十一日止年度的綜合財務報表已獲中瑞岳華(香港)會計師事務所審核，其將於本公司應屆股東週年大會上任滿告退並願意接受續聘。

代表董事會
余嘯天先生
主席

香港，二零一六年六月二十二日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



TO THE SHAREHOLDERS OF K. H. GROUP HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of K. H. Group Holdings Limited (the "Company") and its subsidiaries set out on pages 45 to 111, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

致劍虹集團控股有限公司股東

(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「吾等」)已審核列載於第45至第111頁劍虹集團控股有限公司(「貴公司」)及其附屬公司的綜合財務報表,包括於二零一六年三月三十一日的綜合財務狀況表,及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表,以及重大會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表,以及落實董事認為編製綜合財務報表所必要的內部監控,以確保綜合財務報表不存在因欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

吾等的責任是根據吾等的審核就該等綜合財務報表發表意見,並僅向整體股東報告,除此以外,本報告不可用作其他用途。吾等概不就本報告內容向任何其他人士承擔或負上任何責任。吾等乃根據香港會計師公會頒佈的香港審計準則進行審核工作。該等準則要求吾等遵守操守規定,並策劃及執行審核工作,以合理確定綜合財務報表是否不存在重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 March 2016, and their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Hong Kong
Certified Public Accountants
Hong Kong

Hong Kong, 22 June 2016

審核涉及執行情序以獲取與綜合財務報表所載數額及披露事項有關的審核憑證。所選定的程序取決於核數師的判斷，包括評估由欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該實體編製真實而公平的綜合財務報表相關的內部監控，以設計適當的審核程序，但並非為對實體的內部監控的成效發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體呈列方式。

吾等相信，吾等已獲取足夠及恰當的審核憑證，為吾等的審核意見提供基礎。

意見

吾等認為，綜合財務報表已根據香港財務報告準則真實及公平地反映貴公司及其附屬公司於二零一六年三月三十一日的財務狀況，而其截至該日止年度的財務表現及現金流量，並已遵照香港公司條例之適用披露要求妥為編製。

中瑞岳華(香港)會計師事務所
執業會計師
香港

香港，二零一六年六月二十二日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收益表

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

| | | Note 附註 | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|---|---------------------------------|------------|----------------------------------|----------------------------------|
| Revenue | 收益 | 7 | 492,649 | 357,313 |
| Cost of sales | 銷售成本 | | (415,952) | (286,977) |
| Gross profit | 毛利 | | 76,697 | 70,336 |
| Other income | 其他收入 | 8 | 3,532 | 749 |
| Administrative expenses | 行政開支 | | (28,528) | (14,024) |
| Profit from operations | 經營所得溢利 | | 51,701 | 57,061 |
| Finance costs | 融資成本 | 10 | (995) | (778) |
| Profit before tax | 除稅前溢利 | | 50,706 | 56,283 |
| Income tax expense | 所得稅開支 | 11 | (10,403) | (9,702) |
| Profit and total comprehensive income for the year attributable to owners of the Company | 本公司擁有人應佔年內 溢利及全面收益總額 | 12 | 40,303 | 46,581 |
| | | | HK\$ 港元 | HK\$ 港元 |
| Earnings per share | 每股盈利 | | | |
| – Basic | – 基本 | 16(a) | 13.3 cents 仙 | 15.5 cents 仙 |
| – Diluted | – 攤薄 | 16(b) | N/A 不適用 | N/A 不適用 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31 March 2016
於二零一六年三月三十一日

| | | Note 附註 | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|---|--------------------|------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、機器及設備 | 17 | 46,406 | 39,925 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 18 | 1,228 | 369 |
| Trade and retention receivables | 貿易應收款項及應收保 固金 | 19 | 93,584 | 115,546 |
| Gross amounts due from customers for contract work | 應收客戶合約工程款項 總額 | 20 | 101,319 | 73,780 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他 應收款項 | | 9,918 | 6,733 |
| Due from ultimate holding company | 應收最終控股公司款項 | | - | 23 |
| Pledged bank deposits | 已抵押銀行存款 | 21 | 12,378 | 21,783 |
| Bank and cash balances | 銀行及現金結餘 | 21 | 71,208 | 5,936 |
| | | | 289,635 | 224,170 |
| Current liabilities | 流動負債 | | | |
| Trade and retention payables | 貿易應付款項及應付保 固金 | 22 | 54,743 | 88,537 |
| Gross amounts due to customers for contract work | 應付客戶合約工程款項 總額 | 20 | 3,967 | 11,274 |
| Accruals and other payables | 應計費用及其他應付款項 | 23 | 9,263 | 6,568 |
| Due to directors | 應付董事款項 | | - | 4,487 |
| Due to related companies | 應付關聯公司款項 | | - | 11,622 |
| Finance lease payables | 融資租賃應付款項 | 24 | 17,445 | 18,428 |
| Provisions | 撥備 | | - | 61 |
| Current tax liabilities | 即期稅項負債 | | 6,475 | 1,832 |
| Bank borrowings | 銀行借款 | 25 | 56,618 | 38,764 |
| | | | 148,511 | 181,573 |
| Net current assets | 流動資產淨值 | | 141,124 | 42,597 |
| Total assets less current liabilities | 總資產減流動負債 | | 187,530 | 82,522 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31 March 2016
於二零一六年三月三十一日

| | | Note 附註 | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|--------------------------------|--------------|------------|----------------------------------|----------------------------------|
| Non-current liabilities | 非流動負債 | | | |
| Finance lease payables | 融資租賃應付款項 | 24 | 285 | 388 |
| Deferred tax liabilities | 遞延稅項負債 | 27 | 3,192 | 1,587 |
| | | | 3,477 | 1,975 |
| NET ASSETS | 資產淨值 | | 184,053 | 80,547 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 28 | 4,000 | – |
| Reserves | 儲備 | 31 | 180,053 | 80,547 |
| TOTAL EQUITY | 權益總額 | | 184,053 | 80,547 |

Approved by the Board of Directors on 22 June 2016 and are signed on its behalf by:

經董事會於二零一六年六月二十二日批准並由以下董事代表簽署：

Yu Shiu Tin Paul
余嘯天
Executive Director
執行董事

Yeung Sau Ming Boris
楊秀明
Executive Director
執行董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | |
|---|-------------------|---|--|-----------------------------|-------------------------|
| | | Share capital 股本 | Share premium 股份溢價 | Retained profits 保留盈利 | Total equity 權益總額 |
| | | HK\$'000 千港元 (note 28) (附註28) | HK\$'000 千港元 (note 31) (附註31) | HK\$'000 千港元 | HK\$'000 千港元 |
| As at 1 April 2014 | 於二零一四年四月一日 | —* | — | 33,966 | 33,966 |
| Total comprehensive income and changes in equity for the year | 年內全面收益及權益變動總額 | —* | — | 46,581 | 46,581 |
| As at 31 March 2015 | 於二零一五年三月三十一日 | —* | — | 80,547 | 80,547 |
| As at 1 April 2015 | 於二零一五年四月一日 | —* | — | 80,547 | 80,547 |
| Total comprehensive income for the year | 年內全面收益總額 | — | — | 40,303 | 40,303 |
| Group Reorganisation | 集團重組 | —* | —* | — | — |
| Capitalisation issue of shares (note 28) | 資本化發行股份(附註28) | 3,000 | (3,000) | — | — |
| Issue of new shares pursuant to placing and public offer | 根據配售及公開發售發行新股份 | 1,000 | 94,000 | — | 95,000 |
| Cost of issuing new shares pursuant to placing and public offer | 根據配售及公開發售發行新股份之成本 | — | (6,597) | — | (6,597) |
| Dividend paid | 已派付股息 | — | — | (25,200) | (25,200) |
| Changes in equity for the year | 年內權益變動 | 4,000 | 84,403 | 15,103 | 103,506 |
| As at 31 March 2016 | 於二零一六年三月三十一日 | 4,000 | 84,403 | 95,650 | 184,053 |

* Represents the amount less than HK\$1,000.

* 指金額少於1,000港元。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

| | Note 附註 | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | 50,706 | 56,283 |
| Adjustments for: | 就以下各項作出調整： | | |
| Depreciation | 折舊 | 4,591 | 3,408 |
| Finance costs | 融資成本 | 2,050 | 1,812 |
| Interest income | 利息收入 | (63) | (146) |
| Loss on disposals of property, plant and equipment | 出售物業、機器及設備虧損 | 15 | 15 |
| Derecognition of financial guarantees | 財務擔保終止確認 | (61) | (41) |
| Operating profit before working capital changes | 營運資金變動前經營溢利 | 57,238 | 61,131 |
| (Increase)/decrease in inventories | 存貨(增加)/減少 | (859) | 1,252 |
| Decrease/(increase) in trade and retention receivables | 貿易應收款項及應收保 固金減少/(增加) | 21,962 | (52,709) |
| Increase in amounts due from customers for contract work | 應收客戶合約工程款項 增加 | (27,539) | (41,593) |
| Increase in prepayments, deposits and other receivables | 預付款項、按金及其他 應收款項增加 | (3,185) | (1,322) |
| (Decrease)/increase in trade and retention payables | 貿易應付款項及應付保 固金(減少)/增加 | (33,794) | 41,344 |
| Decrease in amounts due to customers for contract work | 應付客戶合約工程款項 減少 | (7,307) | (13,431) |
| Increase in accruals and other payables | 應計費用及其他應付款 項增加 | 2,695 | 846 |
| Cash generated from/(used in) operations | 經營所得/(所用)現金 | 9,211 | (4,282) |
| Income taxes paid | 已付所得稅 | (4,155) | (6,065) |
| Interest paid | 已付利息 | (1,350) | (1,294) |
| Finance lease charges paid | 已付融資租賃費用 | (700) | (518) |
| Net cash generated from/(used in) operating activities | 經營活動所得/(所用) 現金淨額 | 3,006 | (12,159) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received | 已收利息 | 63 | 146 |
| Purchases of property, plant and equipment | 購買物業、機器及設備 | (5,453) | (11,205) |
| Proceeds from disposals of property, plant and equipment | 出售物業、機器及設備 所得款項 | 14 | 11 |
| Decrease/(increase) in pledged bank deposits | 已抵押銀行存款減少/ (增加) | 9,405 | (15) |
| Net cash generated from/(used in) investing activities | 投資活動所得/(所用) 現金淨額 | 4,029 | (11,063) |

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

| | Note 附註 | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|---|-------------------------------|----------------------------------|----------------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| (Repayment to)/advanced from related companies | (向關聯公司還款)/關聯 公司墊款 | (11,622) | 11,814 |
| Repayment from ultimate holding company | 最終控股公司還款 | 23 | – |
| (Repayment to)/advanced from directors | (向董事還款)/董事墊款 | (4,487) | 10,445 |
| Bank borrowings raised | 已籌銀行借款 | 355,366 | 218,644 |
| Repayment of bank borrowings | 償還銀行借款 | (334,843) | (226,436) |
| Proceeds from issue of shares pursuant to placing and public offer | 根據配售及公開發售發行 股份所得款項 | 95,000 | – |
| Share issuance costs | 股份發行成本 | (6,597) | – |
| Repayment of finance lease payables | 償還融資租賃應付款項 | (6,734) | (3,853) |
| Dividend paid | 已派付股息 | (25,200) | – |
| Net cash generated from financing activities | 融資活動所得現金淨額 | 60,906 | 10,614 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及現金等價物增加/ (減少)淨額 | 67,941 | (12,608) |
| Cash and cash equivalents at beginning of year | 年初現金及現金等價物 | 3,267 | 15,875 |
| Cash and cash equivalents at end of year | 年末現金及現金等價物 | 71,208 | 3,267 |
| ANALYSIS OF CASH AND CASH EQUIVALENTS | 現金及現金等價物分析 | | |
| Bank and cash balances | 銀行及現金結餘 | 21 | 5,936 |
| Bank overdrafts | 銀行透支 | 25 | (2,669) |
| | | 71,208 | 3,267 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

1. General Information

The Company was incorporated in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands. The address of its principal place of business is 10/F, Liven House, 61 King Yip Street, Kwun Tong, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 18 March 2016 (the "Listing").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 32 to the consolidated financial statements.

2. Group Reorganisation and Basis of Preparation

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

In the preparation for the Listing, the Group has undergone group reorganisation ("Group Reorganisation") and the main steps of the Group Reorganisation are summarised below:

(1) Incorporation of New Grace Gain Limited ("New Grace Gain")

New Grace Gain was incorporated under the laws of BVI with limited liability on 15 June 2015 with an authorised share capital of HK\$10,000 divided into 10,000 shares with a par value of HK\$1.00 each, of which (i) 40 shares were allotted and issued at par credited as fully paid to Mr. Yeung Sau Ming Boris; (ii) 30 shares were allotted and issued at par credited as fully paid to Mr. Lau Tai Wah Gilbert; and (iii) 30 shares were allotted and issued at par credited as fully paid to Mr. Yue Suen Leung, on 15 June 2015.

1. 一般資料

本公司根據開曼群島公司法在開曼群島註冊成立為有限公司。其註冊辦事處地址為P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands。其主要營業地點位於香港九龍觀塘敬業街61號利維大廈10樓。本公司股份自二零一六年三月十八日於香港聯合交易所有限公司(「聯交所」)主板上市(「上市」)。

本公司為一家投資控股公司。其附屬公司的主要活動載於綜合財務報表附註32。

2. 集團重組及編製基準

本綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的所有適用香港財務報告準則(「香港財務報告準則」)編製。香港財務報告準則包括香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋。本綜合財務報表亦符合聯交所證券上市規則的適用披露規定及香港法例第622章香港公司條例的披露規定。

為籌備上市，本集團已進行集團重組(「集團重組」)。重組的主要步驟概述如下：

(1) New Grace Gain Limited (「New Grace Gain」)註冊成立

New Grace Gain於二零一五年六月十五日根據英屬處女群島法律註冊成立為有限公司，法定股本10,000港元，分為10,000股每股面值1.00港元的股份，其中，於二零一五年六月十五日(i)按面值向楊秀明先生配發及發行40股入賬列作繳足股份；(ii)按面值向劉泰華先生配發及發行30股入賬列作繳足股份；及(iii)按面值向余孫良先生配發及發行30股入賬列作繳足股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

2. Group Reorganisation and Basis of Preparation (continued)

(2) Incorporation of the Company

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 July 2015. It had an authorised share capital of HK\$50,000 divided into 5,000,000 Shares with a par value of HK\$0.01 each. On the date of incorporation, the Company allotted and issued one subscriber share for cash at par to the initial subscriber, an independent third party and 9,999 shares were allotted and issued at par credited as fully paid to New Grace Gain. On the same day, such subscriber share was transferred to New Grace Gain.

(3) Incorporation of K. H. Development Holdings Limited (“K. H. Development”)

K. H. Development was incorporated under the laws of British Virgin Islands with limited liability on 13 August 2015 with an authorised share capital of US\$50,000 divided into 50,000 shares with a par value of US\$1.00 each, of which 100 shares were allotted and issued at par credited as fully paid to the Company on 13 August 2015.

(4) Acquisition of 100% share capital of K. H. Holdings Limited (“K. H. Holdings”)

K. H. Development (as purchaser), Grace Gain (as vendor) and Mr. Yeung Sau Ming Boris, Mr. Lau Tai Wah Gilbert and Mr. Yue Suen Leung (as warrantors) (“Controlling Shareholders”) entered into a sale and purchase agreement on 18 December 2015, pursuant to which K. H. Development acquired from Grace Gain one share in the capital of K. H. Holdings, representing 100% share capital of K. H. Holdings, and the consideration of which was fully settled by K. H. Development allotting and issuing 100 shares in the capital of K. H. Development credited as fully paid to our Company as directed by Grace Gain. After completion of this step, K. H. Holdings has become a wholly owned subsidiary of K. H. Development.

2. 集團重組及編製基準(續)

(2) 本公司註冊成立

本公司於二零一五年七月二十三日在開曼群島註冊成立為獲豁免有限公司。其擁有法定股本50,000港元，分為5,000,000股每股面值0.01港元的股份。於註冊成立日期，本公司按面值向初始認購人(一名獨立第三方)配發及發行一股認購人股份以換取現金，以及按面值向New Grace Gain配發及發行9,999股入賬列作繳足股份。同日，該認購人股份已轉讓予New Grace Gain。

(3) K. H. Development Holdings Limited (「K.H. Development」)註冊成立

K. H. Development於二零一五年八月十三日根據英屬處女群島法律註冊成立為有限公司，法定股本50,000美元，分為50,000股每股面值1.00美元的股份，其中，於二零一五年八月十三日，按面值向本公司配發及發行100股入賬列作繳足股份。

(4) 收購劍虹控股有限公司(「劍虹控股」)的全部股本

K. H. Development(作為買方)、Grace Gain(作為賣方)與楊秀明先生、劉泰華先生及余孫良先生(作為保證人)(「控股股東」)於二零一五年十二月十八日訂立一份買賣協議，據此，K. H. Development向Grace Gain收購劍虹控股股本中的一股股份，即劍虹控股的全部股本，及其代價透過K. H. Development按Grace Gain的指示向本公司配發及發行K. H. Development股本中的100股入賬列作繳足股份而悉數結清。於該步驟完成後，劍虹控股成為K. H. Development的全資附屬公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

2. Group Reorganisation and Basis of Preparation (continued)

Upon completion of the Group Reorganisation, the Company became the holding company of the companies now comprising the Group on 25 January 2016.

As the Group Reorganisation is undertaken to incorporate the Company as a holding company, the Group is a continuation of the existing group. Accordingly, for the purpose of this report, the consolidated financial statements of the Group has been prepared in accordance with the principles of merger accounting.

The consolidated financial statements of the Group have been prepared as if the Group had always been in existence throughout both years presented, or since the respective dates of incorporation or establishment of the Group companies, rather than from the date when the Company became the holding company pursuant to the Reorganisation.

3. Adoption of New and Revised Hong Kong Financial Reporting Standards and Requirements

(a) Application of new and revised HKFRSs

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2015. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current and prior year.

2. 集團重組及編製基準(續)

於集團重組完成後，本公司於二零一六年一月二十五日成為本集團現時旗下公司的控股公司。

由於集團重組乃為註冊成立本公司為控股公司而進行，故此本集團為現有集團的延續。因此，就本報告而言，本集團的綜合財務報表已根據合併會計法原則編製。

本集團的綜合財務報表之編製，猶如本集團於兩個呈報年度整個期間或自本集團公司各自的註冊成立或成立日期起（而非本公司根據集團重組成為控股公司日期）一直存在。

3. 採納新訂及經修訂香港財務報告準則及規定

(a) 採納新訂及經修訂香港財務報告準則

於本年度內，本集團已採納香港會計師公會所頒佈與本集團經營活動有關及於二零一五年四月一日開始的會計年度生效的所有新訂及經修訂香港財務報告準則。採納該等新訂及經修訂香港財務報告準則並無對本年度及過往年度之本集團會計政策、本集團綜合財務報表之呈列及呈報之金額構成重大變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

3. Adoption of New and Revised Hong Kong Financial Reporting Standards and Requirements (continued)

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective.

| | |
|-----------------------|---|
| HKFRS 9 | Financial Instruments ¹ |
| HKFRS 15 | Revenue from Contracts with Customers ¹ |
| HKFRS 16 | Lease ³ |
| Amendments to HKAS 1 | Disclosure Initiative ² |
| Amendments to HKAS 27 | Equity Method in Separate Financial Statements ² |
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2012-2014 Cycle ² |

¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted for entities that apply HKFRS 15 "Revenue from Contracts with Customers" at or before the date of initial application of HKFRS 16.

The directors anticipate that the new and revised HKFRSs will be adopted in the consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position except as set out below.

3. 採納新訂及經修訂香港財務報告準則及規定(續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早採納已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

| | |
|---------------|---|
| 香港財務報告準則第9號 | 金融工具 ¹ |
| 香港財務報告準則第15號 | 客戶合約收益 ¹ |
| 香港財務報告準則第16號 | 租賃 ³ |
| 香港會計準則第1號的修訂 | 披露計劃 ² |
| 香港會計準則第27號的修訂 | 獨立財務報表的權益法 ² |
| 香港財務報告準則的修訂 | 香港財務報告準則二零一二年至二零一四年週期的年度改進 ² |

¹ 於二零一八年一月一日或之後開始的年度期間生效，並容許提早採納。

² 於二零一六年一月一日或之後開始的年度期間生效，並容許提早採納。

³ 於二零一九年一月一日或之後開始的年度期間生效。於初次應用香港財務報告準則第16號日期或之前應用香港財務報告準則第15號「客戶合約收益」的實體容許提早採納。

董事預期，該等新訂及經修訂香港財務報告準則將於生效時於綜合財務報表內採納。本集團現正評估(如適用)所有將於未來期間生效的新訂及經修訂香港財務報告準則所帶來的潛在影響，但尚無法確定此等新訂及經修訂香港財務報告準則會否對其經營業績及財務狀況構成重大影響，惟下文載列者除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

3. Adoption of New and Revised Hong Kong Financial Reporting Standards and Requirements (continued)

(b) New and revised HKFRSs in issue but not yet effective (continued)

HKFRS 15 “Revenue from contracts with customers” deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 “Revenue” and HKAS 11 “Construction contracts” and related interpretations. HKFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of HKFRS 15.

(c) New Hong Kong Companies Ordinance (Cap. 622)

The requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) came into operation during the financial year. Although the Company is not incorporated in Hong Kong, the Listing Rules require the companies to comply with the new Hong Kong Companies Ordinance (Cap. 622). As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

3. 採納新訂及經修訂香港財務報告準則及規定(續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號「客戶合約的收益」處理收益確認及確立向財務報表使用者報告有用資訊的原則，內容關於一個實體的客戶合約產生的收益及現金流量的性質、金額、時間及不確定性。倘一名客戶取得貨品或服務的控制權及因而有能力指引貨品或服務的用途及由此取得利益，則確認收益。該準則取代香港會計準則第18號「收益」及香港會計準則第11號「建築合約」及相關詮釋。香港財務報告準則第15號由二零一八年一月一日或之後開始的年度期間生效，以及可提早應用。本集團正評估香港財務報告準則第15號的影響。

(c) 新香港公司條例(第622章)

新香港公司條例(第622章)第9部「賬目及審核」的規定已於本財政年度實施。儘管本公司並非於香港註冊成立，惟上市規則要求公司遵守新香港公司條例(第622章)。因此，綜合財務報表若干資料的呈列及披露有所變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

3. Adoption of New and Revised Hong Kong Financial Reporting Standards and Requirements (continued)

(d) Amendments to the Rules Governing the Listing of Securities on the Stock Exchange

The Stock Exchange in April 2015 released revised Appendix 16 of the Rules Governing the Listing of Securities in relation to disclosure of financial information in annual reports that are applicable for accounting periods ending on or after 31 December 2015, with earlier application permitted. The Company has adopted the amendments resulting in changes to the presentation and disclosures of certain information in the consolidated financial statements.

4. Significant Accounting Policies

These consolidated financial statements have been prepared under the historical cost convention.

The preparation of the financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in note 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. 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. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

3. 採納新訂及經修訂香港財務報告準則及規定(續)

(d) 聯交所證券上市規則的修訂

於二零一五年四月，聯交所發佈經修訂證券上市規則附錄十六，內容有關年報中的財務資料披露，適用於截至二零一五年十二月三十一日或之後的會計期間，並可提早應用。本公司已採納該等修訂，致使綜合財務報表內若干資料的呈列及披露有所變動。

4. 重大會計政策

本綜合財務報表乃按歷史成本法編製。

編製符合香港財務報告準則的財務報表須使用若干關鍵會計估計，亦需要管理層於應用本集團會計政策的過程中作出判斷。涉及較大程度的判斷及較高複雜性、或假設及估計對財務資料屬重大的範疇披露於附註5中。

編製本綜合財務報表時採用的重大會計政策載列如下。

(a) 綜合賬目

該等綜合財務報表包括本公司及其附屬公司截至三月三十一日的財務報表。附屬公司為本集團擁有控制權的實體。當本集團可以或有權利透過參與該實體而取得浮動回報及有能力透過其權力影響實體的回報即控制該實體。當本集團現有的權利賦予其能力指揮有關活動(即對實體回報有重大影響的活動)，即表示本集團對該實體有權力。

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4. Significant Accounting Policies (continued)

(a) Consolidation (continued)

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

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

(b) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

4. 重大會計政策(續)

(a) 綜合賬目(續)

當評估控制權時，本集團考慮其潛在投票權以及由其他各方持有的潛在投票權。潛在投票權只有在持有人有行使此權利的實際能力時方會被考慮。

附屬公司自其控制權轉移予本集團當日起綜合入賬，並於控制權終止當日不再綜合入賬。

集團內公司間的交易、結餘及未變現溢利均予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。倘有需要，附屬公司的會計政策會作出變更，以確保符合本集團採納的政策。

(b) 外幣匯兌

(i) 功能及呈列貨幣

本集團各實體的綜合財務報表內的項目均使用該實體經營所在主要經濟環境的貨幣（「功能貨幣」）計量。綜合財務報表按本公司的功能及呈列貨幣港元（「港元」）呈列。

(ii) 各實體的財務報表中的交易及結餘

外幣交易於初次確認時均按交易日通行匯率換算為功能貨幣。以外幣計值的貨幣資產及負債按各報告期末的匯率換算。換算政策產生的盈虧於損益內確認。

按公平值計量及以外幣計值的非貨幣項目乃按釐定公平值當日的匯率換算。

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4. Significant Accounting Policies (continued)

(b) Foreign currency translation (continued)

(ii) Transactions and balances in each entity's financial statements (continued)

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(c) Property, plant and equipment

Property, plant and equipment, held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

| | |
|-------------------------|-----------|
| Furniture and equipment | 20% |
| Plant and machinery | 7% to 20% |
| Motor vehicles | 30% |

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

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. 重大會計政策(續)

(b) 外幣匯兌(續)

(ii) 各實體的財務報表中的交易及結餘(續)

當非貨幣項目的盈虧於其他全面收益確認時，該盈虧的任何匯兌部分於其他全面收益確認。當非貨幣項目的盈虧於損益內確認時，該盈虧的任何匯兌部分於損益內確認。

(c) 物業、機器及設備

持作生產或供應貨品或服務或作行政用途的物業、機器及設備於綜合財務狀況表內以成本減其後累計折舊及其後累計減值虧損(如有)列賬。

其後成本僅於與該項目有關的未來經濟利益可能流入本集團，而該項目的成本能可靠計量時，方會列入資產賬面值或確認為獨立資產(如適用)。所有其他維修及保養於產生期間內的損益內確認。

物業、機器及設備折舊乃於其估計可使用年期按足以撇銷其成本減剩餘價值的比率以直線法計算，其主要年率如下：

| | |
|-------|--------|
| 傢具及設備 | 20% |
| 機器及機械 | 7%至20% |
| 汽車 | 30% |

剩餘價值、可使用年期及折舊方法於各報告期末進行檢討及作出調整(如適用)。

出售物業、機器及設備的盈虧指出售所得款項淨額與有關資產賬面值兩者間的差額，並於損益內確認。

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4. Significant Accounting Policies (continued)

(d) Leases

The Group as lessee

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets.

The Group as lessor

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

4. 重大會計政策(續)

(d) 租賃

本集團作為承租人

(i) 經營租賃

資產擁有權的所有風險及回報並無大部分轉移予本集團的租賃入賬為經營租賃。租賃款項(扣除自出租人收取的任何獎勵金後)於租期內以直線法確認為一項開支。

(ii) 融資租賃

資產擁有權的所有風險及回報大部分轉移予本集團的租賃入賬為融資租賃。於租期開始時，融資租賃按租賃資產於租賃開始時釐定的公平值與最低租賃付款現值兩者中的較低者撥充資本。

出租人的相應負債於財務狀況表列作融資租賃應付款項。租賃付款於融資費用及尚未償還負債扣減之間作出分配。融資費用於租期內各期間分配，從而使負債尚未償還餘額利息的息率固定。

融資租賃資產按與自有資產相同的方式予以折舊。

本集團作為出租人

資產擁有權的所有風險及回報並無大部分轉移予承租人的租賃入賬為經營租賃。經營租賃的租金收入於相關租期內以直線法予以確認。

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4. Significant Accounting Policies (continued)

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. 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.

(f) Construction contracts

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Variations in contract work, claims and incentive payments are included in contract revenue to the extent that they have been agreed with the customer and are capable of being reliably measured. If the variations have not agreed with customer, variations will be recognised only to the extent of contract cost incurred that it is probable will be recoverable.

Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads.

The Group uses the "percentage-of-completion method" to determine the appropriate amount of revenue to recognise in a given period. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, revenue from a fixed price contract is recognised on the percentage-of-completion method, measured by reference to the proportion of costs incurred to date to the estimated total costs of the relevant contracts. Revenue from a cost plus construction contract is recognised on the percentage-of-completion method, by reference to the recoverable costs incurred during the period plus the related fee earned, measured by the proportion of costs incurred to date to the estimated total costs of the relevant contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that are probable to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

4. 重大會計政策(續)

(e) 存貨

存貨按成本與可變現淨值兩者中的較低者列賬。成本以先進先出法計算。可變現淨值為日常業務過程中的估計售價減估計完成成本及銷售所需估計成本。

(f) 建築合約

合約收益包括經協定合約金額及來自修訂令、索償及獎勵款項的適當金額。倘經與客戶協定並能夠可靠計量，合約工程變動、索償及獎勵款項計入合約收益。倘變動並無與客戶協定，變動僅根據已產生合約成本可能收回的幅度確認。

已產生合約成本包括直接材料、分包成本、直接勞工成本及分攤適當部分的可變與固定建築經常性支出。

本集團採用「完工百分比法」釐定在某期間確認的適當收益金額。倘建築合約結果能可靠估計及合約極有可能獲得盈利，固定價格合約的收益採用完工百分比法確認，並參考迄今已產生成本佔有關合約估計總成本的比例計量。成本加成建築合約的收益按完工百分比法確認，並參照期內已產生可收回成本加上賺取的有關費用，按迄今已產生成本佔有關合約估計總成本的比例計量。

倘建築合約的結果不能可靠估計，收益僅根據已產生合約成本可能收回的幅度確認。倘合約總成本可能超過合約總收益，預計虧損即時確認為開支。

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4. Significant Accounting Policies (continued)

(f) Construction contracts (continued)

Construction contracts in progress at the end of the reporting period are recorded at the amount of costs incurred plus recognised profits less recognised losses and progress billings, and are presented in the consolidated statement of financial position as “Gross amounts due from customers for contract work”. When progress billings exceed costs incurred plus recognised profits less recognised losses, the surplus is recorded in the consolidated statement of financial position as “Gross amounts due to customers for contract work”. Progress billings not yet paid by customers are included in the consolidated statement of financial position under “Trade and retention receivables”. Amounts received before the related work is performed are included in the consolidated statement of financial position under “Accruals and other payables”.

(g) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

4. 重大會計政策(續)

(f) 建築合約(續)

於報告期末尚在進行中的建築合約按已產生成本加上已確認溢利，再減去已確認虧損及進度款項入賬，並於綜合財務狀況表中呈列為「應收客戶合約工程款項總額」。倘進度款項高於已產生成本加已確認溢利減去已確認虧損之差，盈餘於綜合財務狀況表中呈列為「應付客戶合約工程款項總額」。客戶尚未支付的進度款項於綜合財務狀況表中呈列為「貿易應收款項及應收保固金」。於有關工程進行前收到的款項於綜合財務狀況表中呈列為「應計費用及其他應付款項」。

(g) 確認及終止確認金融工具

金融資產及金融負債於本集團成為工具合約條文訂約方時於綜合財務狀況表確認。

倘自資產取得現金流量的合約權利屆滿；本集團轉讓資產所有權的絕大部分風險及回報；或本集團概無轉讓亦不保留資產所有權的絕大部分風險及回報但不保留資產的控制權，則終止確認金融資產。終止確認金融資產時，資產賬面值與已收代價連同已於其他全面收益確認的累計盈虧總和兩者間的差額於損益內確認。

倘相關合約訂明的責任獲解除、註銷或屆滿，則終止確認金融負債。已終止確認金融負債的賬面值與已付代價的差額於損益內確認。

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4. Significant Accounting Policies (continued)

(h) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial assets within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

The Group classifies its financial assets as loans and receivable. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method (except for short-term receivables where interest is immaterial) minus any reduction for impairment or uncollectibility. Typically trade and other receivables, bank balances and cash are classified in this category.

(i) Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

4. 重大會計政策(續)

(h) 金融資產

金融資產於根據合約(有關條款規定須於相關市場制定的時限內交付金融資產)購買或出售金融資產時按交易日確認及終止確認，並初步按公平值加直接應佔交易成本計量。

本集團將金融資產分類為貸款及應收款項。分類取決於收購金融資產之目的。管理層於初步確認時釐定金融資產分類。

貸款及應收款項乃具有於交投活躍市場未有報價的固定或可議定付款的非衍生金融資產。該等資產以實際利率法(利息屬微不足道的短期應收款項除外)按攤銷成本減任何減值或不可收回款項扣減列賬。一般而言，貿易及其他應收款項、銀行結餘及現金乃分類為此類別。

(i) 貿易及其他應收款項

貿易應收款項為日常業務過程中就所售商品或所提供服務而應收客戶的款項。倘貿易及其他應收款項預期於一年或以內(或如屬較長時間，則為一般營運週期)收回，則分類為流動資產，否則呈列為非流動資產。

貿易及其他應收款項初步按公平值確認，其後以實際利率法按攤銷成本扣除減值撥備計量。

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4. Significant Accounting Policies (continued)

(j) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(k) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

4. 重大會計政策(續)

(j) 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物指銀行現金及手頭現金、銀行及其他金融機構的活期存款，以及可隨時兌換為確實數額的現金及存在非重大價值變動風險的短期高流通性投資。須按要求償還並構成本集團現金管理的整體的一部分的銀行透支亦入賬列作現金及現金等價物部分。

(k) 金融負債及股本工具

金融負債及股本工具乃根據所訂立合約安排的內容及香港財務報告準則項下金融負債及股本工具的定義分類。股本工具乃證明於本集團經扣除所有負債後的資產中擁有剩餘權益的任何合約。下文載列就特定金融負債及股本工具採納的會計政策。

(i) 借款

借款初步按公平值(扣除已產生交易成本)確認，其後以實際利率法按攤銷成本計量。

除非本集團具無條件權利將負債還款期遞延至報告期末後至少十二個月，否則借款將被分類為流動負債。

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4. Significant Accounting Policies (continued)

(k) Financial liabilities and equity instruments (continued)

(ii) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

(i) Construction contract income

Revenue from construction contracts is recognised based on the stage of completion of the contracts as detailed in note 4(f) above.

(ii) Rental income

Rental income is recognised on a straight-line basis over the lease term.

(iii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

4. 重大會計政策(續)

(k) 金融負債及股本工具(續)

(ii) 貿易及其他應付款項

貿易及其他應付款項初步按其公平值確認，其後採用實際利率法按攤銷成本計量，除非貼現影響甚微，於此情況下，則以成本列賬。

(iii) 股本工具

本公司所發行的股本工具按已收所得款項(已扣除直接發行成本)入賬。

(l) 收益確認

收益按已收或應收代價的公平值計量，並於經濟利益可能流向本集團及收益金額能可靠計量時確認。

(i) 建築合約收入

建築合約收益根據合約完工進度確認，詳述於上文附註4(f)。

(ii) 租金收入

租金收入按直線法於租期內確認。

(iii) 利息收入

利息收入按時間比例基準採用實際利率法確認。

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4. Significant Accounting Policies (continued)

(m) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

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

4. 重大會計政策(續)

(m) 僱員福利

(i) 僱員應享假期

僱員的年假及長期服務假期於僱員應享有時予以確認。截至報告期末，因僱員所提供的服務而產生的年假及長期服務假期的估計負債已計提撥備。

僱員的病假及產假於僱員休假時方會確認。

(ii) 退休金責任

本集團為所有僱員提供定額供款退休計劃。本集團及僱員對計劃的供款乃按僱員的基本薪金的百分比計算。在損益內扣除的退休福利計劃成本乃指本集團應付該等基金的供款。

(iii) 離職福利

離職福利於本集團再無能力提供福利時或本集團確認重組成本並涉及支付離職福利時(以較早者為準)確認。

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4. Significant Accounting Policies (continued)

(n) Share-based payments

The Company operates a share option scheme and issues equity-settled share-based payments to eligible employees (including directors). Equity-settled share-based payments are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

4. 重大會計政策(續)

(n) 股份付款

本公司設立一項購股權計劃，並向合資格僱員(包括董事)作出以權益結算的股份付款，以權益結算的股份付款乃以股本工具於授出日期的公平值(不包括非市場為本的歸屬條件的影響)。以權益結算的股份付款於授出日期所釐定的公平值，根據本集團有關最終歸屬的股份估計於歸屬期內以直線法支銷，並就非市場為本之歸屬條件之影響作出調整。

(o) 借貸成本

直接用作購入、建造或生產合資格資產(即需要相當長期間以達致其擬定用途或銷售的資產)的借貸成本資本化作為該等資產的部分成本，直至資產大致用作其擬定用途或銷售。特定用於合資格資產的借貸在其尚未支銷時用作短暫投資所賺取的投資收入，乃於合資格資本化的借貸成本內扣除。

倘一般性借入資金用於獲取一項合資格資產，合資格資本化的借貸成本金額乃按該資產支銷的資本化率釐定。資本化率為適用於本集團期內未償還借款的加權平均借貸成本，不包括為取得一項合資格資產而專門借入的借款。

所有其他借貸成本均於產生期間於損益內確認。

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4. Significant Accounting Policies (continued)

(p) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

4. 重大會計政策(續)

(p) 稅項

所得稅是指即期稅項及遞延稅項的總額。

即期應付稅項乃根據年內應課稅溢利計算。應課稅溢利與於損益內確認的溢利有所不同，乃由於其他年度的應課稅或可予扣稅收入或開支項目及免稅或不可扣稅項目所致。本集團有關即期稅項的負債乃採用於報告期末已實行或實質已實行的稅率計算。

遞延稅項乃指在綜合財務報表內資產及負債的賬面值與計算應課稅溢利採用的相應稅基的差額。遞延稅項負債一般按所有應課稅暫時差額確認，而遞延稅項資產則會在可能有應課稅溢利可供作抵銷可予扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認。倘暫時差額乃因商譽或首次確認一項既不影響應課稅溢利亦不影響會計溢利的交易(業務合併除外)中的其他資產及負債而產生，則不會確認有關資產及負債。

遞延稅項負債乃按於附屬公司的投資而產生的應課稅暫時差額確認，惟倘本集團可控制暫時差額的撥回，且該暫時差額可能不會在可見將來撥回者除外。

遞延稅項資產的賬面值乃於各報告期末進行檢討，並調低至將不再可能有充裕的應課稅溢利以收回所有或部分資產。

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4. Significant Accounting Policies (continued)

(p) Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(q) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

4. 重大會計政策(續)

(p) 稅項(續)

遞延稅項乃根據於報告期末已實行或實質實行的稅率，按預期在負債償還或資產變現期間適用的稅率計算。遞延稅項乃於損益中確認，惟倘遞延稅項與其他全面收益確認或直接於權益確認的項目有關，則在此情況下亦會於其他全面收益或直接於權益確認。

遞延稅項資產及負債的計量反映按照本集團預期於報告期末可收回或結算其資產及負債的賬面值方式計算而得出的稅務結果。

當可合法執行權利許可將即期稅項資產與即期稅項負債抵銷，並且當涉及同一稅務機關所徵收的所得稅且本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

(q) 非金融資產減值

非金融資產的賬面值於各報告日期檢討是否有減值跡象，如資產已減值，則通過綜合損益表作為支出撇減至其估計可收回金額，惟倘有關資產按重估金額列賬，則減值虧損會視作重估減少處理。可收回金額就個別資產釐定，除非資產並無產生大部分獨立於其他資產或資產組合的現金流入，在此情況下，可收回金額就資產所屬的現金產生單位釐定。可收回金額為個別資產或現金產生單位的使用價值與公平值減出售成本兩者中較高者。

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4. Significant Accounting Policies (continued)

(q) Impairment of non-financial assets (continued)

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(r) Impairment of financial assets

At the end of each reporting period, the Group assesses whether its financial assets are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected.

For trade receivables that are assessed not to be impaired individually, the Group assesses them collectively for impairment, based on the Group's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

Only for trade receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

4. 重大會計政策(續)

(q) 非金融資產減值(續)

使用價值指預計資產／現金產生單位的估計未來現金流量的現值。現值按反映貨幣時間價值及進行減值計量的資產／現金產生單位的特定風險的稅前貼現率計算。

現金產生單位減值虧損首先分配到其商譽，其後按比例分配至現金產生單位的其他資產。因估計改變而導致其後可收回金額增加會計入損益，惟金額只限於撥回減值金額，惟倘有關資產按重估金額列賬，則減值虧損撥回會視作重估增加處理。

(r) 金融資產減值

於各報告期末，本集團會根據客觀證據(即(一組)金融資產的估計未來現金流量由於初步確認後發生的一項或多項事件而受到影響)評估其金融資產有否減值。

就個別評估並無減值的貿易應收款項而言，本集團會根據本集團的過往收款經驗、投資組合延遲還款情況增加、與應收款項違約情況有連帶關係的經濟狀況出現明顯改變等共同評估有否減值。

僅貿易應收款項的賬面值會使用撥備賬扣減，而其後收回先前已撇銷的金額乃計入撥備賬。撥備賬的賬面值變動於損益內確認。

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4. Significant Accounting Policies (continued)

(r) Impairment of financial assets (continued)

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

(s) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present 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 expenditures 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 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 is remote.

4. 重大會計政策(續)

(r) 金融資產減值(續)

就所有其他金融資產而言，賬面值會直接按減值虧損作出扣減。

就按攤銷成本計量的金融資產而言，倘減值虧損的金額於其後期間減少，而該減少可以客觀地與於確認減值後發生的事件有關時，則先前已確認的減值虧損透過損益(直接或藉著調整貿易應收款之撥備賬)撥回。然而，撥回不得導致賬面值超出於假設並無確認減值時該項金融資產於撥回減值當日原有的攤銷成本。

(s) 撥備及或然負債

當本集團因過往事件須承擔現有法律或推定責任，而履行責任有可能導致經濟利益流出，並能夠作出可靠估計時，須對時間或金額不確定的負債確認撥備。倘金額的時間價值重大，則撥備乃按預期用於履行該責任的支出現值列賬。

倘使經濟利益流出的機會不大，或金額無法可靠估計，則責任乃披露為或然負債，除非經濟利益流出的可能性極低則另作別論。除非經濟利益流出的可能性極低，否則視乎某宗或多宗事件是否發生方可確定是否存在的潛在責任，亦會披露為或然負債。

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4. Significant Accounting Policies (continued)

(t) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statement. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

(u) Dividend distribution

Dividends are recognised as liabilities when they are declared (i.e. the dividends are appropriately authorised and no longer at the discretion of the equity). Typically, dividends are recognised as liabilities in the period in which their distribution is approved at the shareholders' annual general meeting. Interim dividends are recognised when paid.

5. Critical Judgements and Key Estimates

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made judgements relating to revenue recognition of construction contracts that have the most significant effect on the amounts recognised in the consolidated financial statements relating to accounting for variation orders of construction contracts.

The Group makes claims for additional work performed, which may arise either under specific circumstances provided for under the contracts, or due to variations made to the contract specifications by customers. Where the amounts of such claims have not been formally agreed at the end of the reporting period, the amount recoverable as estimated by management is included in the contract value in determining the estimated recoverable amount.

4. 重大會計政策(續)

(t) 報告期後事項

為本集團於報告期末的狀況提供額外資料或顯示持續經營假設並不適合的報告期後事項均屬於調整事項，並於綜合財務報表內反映。並非調整事項的重大報告期後事項則於綜合財務報表附註中披露。

(u) 股息分派

股息獲宣派時(即股息經適當授權且企業不再具有裁決能力)均會獲確認為負債。一般情況下，股息均獲確認為期內負債而其分派於股東週年大會上獲批准。中期股息於派付時獲確認。

5. 重要判斷及主要估計

應用會計政策時的重要判斷

於應用會計政策時，董事就建築合約收益確認作出判斷，而有關判斷對有關建築合約修訂令的會計處理的綜合財務報表內所確認的金額具最重大影響。

由於合約規定下的個別情況或客戶對合約指定內容作出更改，本集團可能就額外進行的工程提出索償。倘有關索償金額無法於報告期末正式協定，於釐定估計可收回金額時，管理層估計的可收回金額將計入合約價值內。

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5. Critical Judgements and Key Estimates (continued)

Key sources of estimation uncertainty

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

(a) Revenue and profit recognition of construction contracts

As disclosed in note 4(f) to the consolidated financial statements, revenue recognition on a construction contract is dependent on management's estimation of the total outcome of the construction contracts, as well as the work done to date. The management reviews and revises the estimates of contract revenue, contract costs, variation orders and provision for claims, prepared for each construction contract as the contract progresses. Budgeted construction costs are prepared by the management on the basis of quotations provided by contractors, suppliers or vendors involved and the experience of the management. In order to keep the budgets accurate and up-to-date, the management conducts periodic reviews on the budgets by comparing the budgeted amounts to the actual amounts incurred. When the final cost incurred by the Group is different from the amounts initially budgeted, such differences will impact revenue and the profit or loss recognised on the contracts. The provision for claims is determined on the basis of the delay in the number of workdays of the completion of the construction works which is highly subjective and is subject to negotiation with the customers. Management conducts periodic review of the provision amount.

Significant judgment is required in estimating the contract revenue, contract costs, variation works and provision for claims which have an impact on the percentage of completion of contracts and profit or loss recognised.

5. 重要判斷及主要估計(續)

估計不明朗因素的主要來源

下文討論有關未來的主要假設及於報告期末的估計不明朗因素的其他主要來源，而該等假設及估計不明朗因素存在導致下一財政年度的資產及負債賬面值須作出重大調整的重大風險。

(a) 建築合約收益及溢利確認

如綜合財務報表附註4(f)所披露，建築合約收益確認取決於管理層的建築合約總結果估計以及迄今已完竣工程。隨著合約工程進展，管理層審查及修訂每一份建築合約的合約收益、合約成本、修訂令及索償撥備的估計。預算建築成本由管理層參考承建商、供應商或賣方提供的報價加上管理層的經驗為基礎而釐定。為確保預算準確及更新，管理層對預算進行定期審查，將預算金額與已產生的實際金額進行比較。倘本集團最終已產生成本有別於最初預算，有關差額將影響就合約確認的收益及損益。索償撥備於釐定時乃基於建築工程竣工遞延的工程天數(高度主觀)且視乎與客戶的磋商。管理層對撥備金額定期作出檢討。

由於估計合約收益、合約成本、修訂令及索償撥備須運用重大判斷，因而或會影響合約完工百分比及已確認損益。

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5. Critical Judgements and Key Estimates (continued)

Key sources of estimation uncertainty (continued)

(b) Property, plant and equipment and depreciation

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

The carrying amount of property, plant and equipment as at 31 March 2016 was HK\$46,406,000 (2015: HK\$39,925,000).

(c) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables and gross amounts due from customers for contract work, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables, gross amounts due from customers for contract work and doubtful debt expenses in the year in which such estimate has been changed.

As at 31 March 2016 and 2015, no impairment loss for bad and doubtful debts was made.

5. 重要判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(b) 物業、機器及設備及折舊

本集團自行釐定其物業、機器及設備的估計可使用年期、剩餘價值及相關折舊開支。該等估計乃根據類似性質及功能的物業、機器及設備的實際可使用年期及剩餘價值的過往經驗作出。當可使用年期及剩餘價值與先前估計不同時，本集團將修訂折舊開支，或將已棄用或出售技術過時或非策略資產作出撤銷或撇減。

於二零一六年三月三十一日，物業、機器及設備的賬面值為46,406,000港元(二零一五年：39,925,000港元)。

(c) 呆壞賬減值虧損

本集團根據對貿易及其他應收款項以及應收客戶合約工程款項總額可收回程度(包括各債務人當前信用狀況及過往付款記錄)的評估，作出呆壞賬減值虧損。倘有事件或情況有變顯示餘額可能無法收回時，將出現減值。識別是否出現呆壞賬須作出判斷及估計。倘實際結果有別於原本估計，該差額將影響該項估計發生變動年內的貿易及其他應收款項、應收客戶合約工程款項總額以及呆壞賬開支的賬面值。

於二零一六年及二零一五年三月三十一日，概無作出呆壞賬減值虧損撥備。

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5. Critical Judgements and Key Estimates (continued)

Key sources of estimation uncertainty (continued)

(d) Income taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the year, HK\$10,403,000 (2015: HK\$9,702,000) of income tax was charged to profit or loss based on the estimated profit.

(e) Provision for claims on construction work

As disclosed in the note 34(b) to the consolidated financial statements, the Group had disputes with a subcontractor for certain construction works. The Group has assessed the maximum liability on the claims would be approximately HK\$7,734,000.

When accounting for provision for claims on construction work and other items, the Group has taken internal and external advice in considering known claims and actions made by or against the Group. It carefully assesses the likelihood of success of a claim or action. Appropriate provisions are made for claims or actions against the Group on the basis of likely outcome, but no provisions are made for those which in the view of management are unlikely to succeed. In making its judgements, the Group assessed the Group's liability and obligations under the terms of subcontracting agreement, supporting evidence of work done and the basis of charge of related works. Provision on possible obligations, if appropriate, are made based on management's best estimates and judgements.

As at 31 March 2016 and 2015, no provision for claims was made.

5. 重要判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(d) 所得稅

計提所得稅撥備時須作出重大估計。於日常業務過程中，有多項交易及計算方式均會導致無法確定最終稅項。倘若該等事項的最終稅項結果與初始記錄金額不同，有關差額將對作出有關決定期間內的所得稅及遞延稅項撥備造成影響。年內，根據估計溢利於損益內扣減的所得稅為10,403,000港元(二零一五年：9,702,000港元)。

(e) 建築工程索償撥備

如綜合財務報表附註34(b)所披露，本集團就若干建築工程與分包商發生爭議。本集團已評估最高索償責任約為7,734,000港元。

在對建築工程索償及其他項目撥備作出會計處理時，本集團於考慮其所作出或面對的已知索償及訴訟時已聽取內外部建議，謹慎評估一項索償或訴訟發生的可能性。本集團根據很可能產生的結果，對所面對的索償或訴訟作出適當撥備，但並無對管理層認為不大可能發生者作出撥備。在作出判斷時，本集團評估其於分包協議條款下的責任與義務、完工證據及有關工程的收費基準。有關可能發生責任的撥備在適當情況下乃根據管理層的最佳估計及判斷作出。

於二零一六及二零一五年三月三十一日，概無作出索償撥備。

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6. Financial Risk Management

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities, Hong Kong dollars. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Credit risk

The Group's credit risk is primarily attributable to its pledged bank deposits, bank and cash balances, trade and retention receivables and other receivables. In order to minimise credit risk, the directors review the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

6. 財務風險管理

本集團的業務須承受多項財務風險：外匯風險、信貸風險、流動資金風險及利率風險。本集團的整體風險管理計劃專注於金融市場的不可預測性，旨在盡可能減低對本集團財務表現構成的潛在不利影響。

(a) 外匯風險

由於本集團的大部分業務交易、資產及負債主要以本集團實體的功能貨幣港元計值，故本集團面對的外幣風險極低。本集團目前並無就外幣交易、資產及負債制訂任何外幣對沖政策。本集團密切監察其外幣風險，並於有需要時考慮對沖重大外匯風險。

(b) 信貸風險

本集團的信貸風險主要歸因於已抵押銀行存款、銀行及現金結餘、貿易應收款項及應收保固金及其他應收款項。為盡量減低信貸風險，董事定期檢討各個別貿易債項可收回金額，確保就不可收回債項確認足夠減值虧損。就此，董事認為本集團的信貸風險已大幅減低。

本集團已制訂政策以確保向擁有合適信貸記錄的客戶進行銷售。

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6. Financial Risk Management (continued)

(b) Credit risk (continued)

As at 31 March 2016, there were 3 customers (2015: 2 customers) which individually contributed over 10% of the Group's trade and retention receivables. The aggregate amounts of trade and retention receivables from these customers amounted to 74% (2015: 68%) of the Group's total trade and retention receivables as at 31 March 2016.

The credit risk on pledged bank deposits and bank and cash balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

(c) Liquidity risk

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

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's liabilities, based on 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.

Specifically, for bank borrowings and finance lease payables which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for other finance lease payables is prepared based on the scheduled repayment dates.

6. 財務風險管理(續)

(b) 信貸風險(續)

於二零一六年三月三十一日，有3名客戶(二零一五年：2名客戶)單獨佔本集團貿易應收款項及應收保固金比例超過10%。於二零一六年三月三十一日，來自該等客戶的貿易應收款項及應收保固金總額分別佔本集團貿易應收款項及應收保固金總額的74%(二零一五年：68%)。

已抵押銀行存款以及銀行及現金結餘的信貸風險有限，因為對手方為獲國際信用評級機構給予高度信用評級的銀行。

(c) 流動資金風險

本集團的政策為定期監察現時及預期的流動資金需要，以確保其維持足以應付短期及較長遠流動資金需要的現金儲備。

下表列示本集團負債於各報告期末按未貼現現金流量(包括按合約利率計算或(如為浮動利率)按報告期末的現行利率計算的利息付款)及本集團可能被要求付款的最早日期計算的剩餘合約年期。

具體而言，對於包含按要求償還條款而有關係款可由銀行全權酌情行使的銀行借款及融資租賃應付款項，該分析按實體可能須付款的最早期間列示現金流出，即猶如放款人會行使其要求即時還款的無條件權利。其他融資租賃應付款項的到期情況分析乃按預定還款日期編製。

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6. Financial Risk Management (continued)

(c) Liquidity risk (continued)

The maturity analysis of the Group's financial liabilities based on contractual undiscounted cash flows is as follows:

| | | On demand 按要求 HK\$'000 千港元 | Within 1 year 1年內 HK\$'000 千港元 | Between 1 to 2 years 1至2年 HK\$'000 千港元 | Between 2 to 5 years 2至5年 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--------------------------|-------------------------------------|---|---|---|--------------------------------|
| At 31 March 2016 | 於二零一六年三月三十一日 | | | | | |
| Financial liabilities subject to a repayment on demand clause | 受限於按要求償還條款的金融負債 | | | | | |
| Bank borrowings | 銀行借款 | 56,618 | - | - | - | 56,618 |
| Finance lease payables | 融資租賃應付款項 | 17,316 | - | - | - | 17,316 |
| Financial liabilities not subject to a repayment on demand clause | 毋須受限於按要求償還條款的金融負債 | | | | | |
| Trade and retention payables | 貿易應付款項及應付保固金 | - | 45,624 | 9,119 | - | 54,743 |
| Accruals and other payables | 應計費用及其他應付款項 | - | 9,263 | - | - | 9,263 |
| Finance lease payables | 融資租賃應付款項 | - | 142 | 142 | 153 | 437 |

6. 財務風險管理(續)

(c) 流動資金風險(續)

本集團金融負債按合約未貼現現金流量的到期情況分析如下：

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6. Financial Risk Management (continued)
(c) Liquidity risk (continued)

6. 財務風險管理(續)
(c) 流動資金風險(續)

| | | On demand 按要求 HK\$'000 千港元 | Within 1 year 1年內 HK\$'000 千港元 | Between 1 to 2 years 1至2年 HK\$'000 千港元 | Between 2 to 5 years 2至5年 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--------------------------|-------------------------------------|---|---|---|--------------------------------|
| At 31 March 2015 | 於二零一五年 三月三十一日 | | | | | |
| Financial liabilities subject to a repayment on demand clause | 受限於按要求償還條款之金融負債 | | | | | |
| Bank borrowings | 銀行借款 | 38,764 | - | - | - | 38,764 |
| Finance lease payables | 融資租賃應付款項 | 18,286 | - | - | - | 18,286 |
| Financial liabilities not subject to a repayment on demand clause | 毋須受限於按要求償還條款之金融負債 | | | | | |
| Trade and retention payables | 貿易應付款項及應付保固金 | - | 80,872 | 7,665 | - | 88,537 |
| Accruals and other payables | 應計費用及其他應付款項 | - | 3,269 | - | - | 3,269 |
| Financial guarantee liabilities | 財務擔保負債 | 10,666 | - | - | - | 10,666 |
| Finance lease payables | 融資租賃應付款項 | - | 142 | 142 | 246 | 530 |
| Due to directors | 應付董事款項 | 4,487 | - | - | - | 4,487 |
| Due to related companies | 應付關聯公司款項 | 11,622 | - | - | - | 11,622 |

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6. Financial Risk Management (continued)

(c) Liquidity risk (continued)

The table that follows summarises the maturity analysis of bank borrowings and finance lease payables with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts are greater than the amounts disclosed in the “on demand” time band in the maturity analysis above. Taking into account the Group’s financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such bank borrowings and finance lease payables will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

6. 財務風險管理(續)

(c) 流動資金風險(續)

下表概述基於貸款協議載列的經協定預定償還款項對載有按要求償還條款的銀行借款及融資租賃應付款項作出的到期情況分析。有關款項包括採用合約利率計算的利息付款。因此，有關款項高於上文所載的到期情況分析內「按要求」時間範圍下所披露的款項。經計及本集團的財務狀況後，董事認為銀行不太可能行使其酌情權要求即時還款。董事相信，有關銀行借款及融資租賃應付款項將按照貸款協議所載的預定償還日期償付。

| | | Within 1 year 1年內 HK\$'000 千港元 | Between 1 to 2 years 1至2年 HK\$'000 千港元 | Between 2 to 5 years 2至5年 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|-------------------------|--------------------------|--|--|--|--------------------------------|
| At 31 March 2016 | 於二零一六年 三月三十一日 | | | | |
| Bank borrowings | 銀行借款 | 56,820 | - | - | 56,820 |
| Finance lease payables | 融資租賃應付款項 | 8,081 | 6,533 | 3,463 | 18,077 |
| At 31 March 2015 | 於二零一五年 三月三十一日 | | | | |
| Bank borrowings | 銀行借款 | 36,472 | 1,122 | 1,403 | 38,997 |
| Finance lease payables | 融資租賃應付款項 | 6,509 | 6,485 | 6,369 | 19,363 |

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6. Financial Risk Management (continued)

(d) Interest rate risk

As at 31 March 2016, the Group's finance lease payables of HK\$414,000 (2015: HK\$530,000) bear interests at fixed interest rate and therefore are subject to fair value interest rate risk.

The Group's exposure to cash flow interest rate risk arises from its bank deposits, trust receipt loans, bank overdrafts, bank loans, factoring loans and the remaining finance lease payables and therefore bear interests at variable rates varied with the then prevailing market condition.

At 31 March 2016 and 2015, if interest rates at that date had been 50 basis points lower or higher with all other variables held constant, there is no significant change to the profit after tax for the year.

(e) Categories of financial instruments at the end of the reporting period

6. 財務風險管理(續)

(d) 利率風險

於二零一六年三月三十一日，本集團按固定利率計息的融資租賃應付款項為414,000港元(二零一五年：530,000港元)，因而面臨公平值利率風險。

本集團面臨來自銀行存款、信託收據貸款、銀行透支、銀行貸款、保理貸款及餘下融資租賃應付款項的現金流量利率風險，因而應當時的市況按浮動利率計息。

於二零一六年及二零一五年三月三十一日，假設所有其他可變因素維持不變，倘該日利率下降或上升50個基點，該年度的除稅後溢利將不會發生重大變動。

(e) 於報告期末的金融工具類別

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Financial assets: | 金融資產： | | |
| Loans and receivables (including cash and cash equivalents) | 貸款及應收款項(包括現金及現金等價物) | 185,200 | 147,525 |
| Financial liabilities: | 金融負債： | | |
| Financial liabilities at amortised cost | 按攤銷成本列賬的金融負債 | 138,354 | 165,495 |
| Financial guarantees | 財務擔保 | - | 61 |
| | | 138,354 | 165,556 |

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For the year ended 31 March 2016
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6. Financial Risk Management (continued)

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. Revenue

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

6. 財務風險管理(續)

(f) 公平值

本集團金融資產及金融負債於綜合財務狀況表反映的賬面值與其各自的公平值相若。

7. 收益

本集團收益分析如下：

| | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|-------------------------------------|----------------------------------|----------------------------------|
| Construction contract income 建築合約收入 | 492,649 | 357,313 |

8. Other Income

8. 其他收入

| | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Interest income 利息收入 | 63 | 146 |
| Rental income on machinery and warehouse 機械及倉庫的租金收入 | 1,534 | 48 |
| Sales of scrapped materials 銷售廢料 | 1,267 | 378 |
| Others 其他 | 668 | 177 |
| | 3,532 | 749 |

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9. Segment Information

Operating segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

As the Group is principally engaged in the provision of foundation services in Hong Kong, which are subject to similar business risks, and resources are allocated based on what is beneficial to the Group in enhancing the value of the Group as a whole, the Group's chief operating decision maker considers the performance assessment of the Group should be based on the profit before tax of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirements of Hong Kong Financial Reporting Standard 8 "Operating Segments".

Geographical information

All non-current assets and Group's revenue from external customers during the years ended 31 March 2016 and 2015 are located in Hong Kong.

Revenue from major customers

The Group's customer base for whom transactions have exceeded 10% of its revenue during the years ended 31 March 2016 and 2015 is set out as below:

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|--------------------------------------|---------------|----------------------------------|----------------------------------|
| Construction business segment | 建築業務分部 | | |
| Customer 1 | 客戶1 | 276,725 | – |
| Customer 2 | 客戶2 | 121,886 | 191,896 |
| Customer 3 | 客戶3 | – | 38,817 |

9. 分部資料

運營分部資料

本集團按主要經營決策者定期審閱本集團不同部門的內部報告釐定其運營分部，以向分部分配資源及評估其表現。

由於本集團主要於香港從事提供地基服務，面臨類似業務風險，且資源基於對提升本集團整體價值有利的原則分配，本集團主要經營決策者認為本集團的表現評估應基於本集團整體除稅前溢利作出。因此，管理層認為，根據香港財務報告準則第8號「運營分部」的規定，應只有一個運營分部。

地理資料

於截至二零一六年及二零一五年三月三十一日止年度，所有非流動資產及本集團來自外部客戶的收益均位於香港。

主要客戶收益

於截至二零一六年及二零一五年三月三十一日止年度，與其擁有超過本集團10%收益交易的客戶群載列如下：

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截至二零一六年三月三十一日止年度

10. Finance Costs

10. 融資成本

| | | 2016 | 2015 |
|--|------------|-----------------|----------|
| | | 二零一六年 | 二零一五年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Finance lease charges | 融資租賃支出 | 700 | 518 |
| Interest on bank borrowings | 銀行借款的利息 | 1,350 | 1,294 |
| | | 2,050 | 1,812 |
| Less: Amount attributable to contract work | 減：建築工程應佔金額 | (1,055) | (1,034) |
| | | 995 | 778 |

11. Income Tax Expense

11. 所得稅開支

| | | 2016 | 2015 |
|-------------------------------------|--------------|-----------------|----------|
| | | 二零一六年 | 二零一五年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Current tax – Hong Kong Profits Tax | 即期稅項 – 香港利得稅 | | |
| Provision for the year | 年內撥備 | 8,798 | 8,115 |
| Deferred tax (note 27) | 遞延稅項(附註27) | 1,605 | 1,587 |
| | | 10,403 | 9,702 |

Hong Kong Profits Tax has been provided at a rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year ended 31 March 2016.

香港利得稅乃按16.5%(二零一五年：16.5%)的稅率就截至二零一六年三月三十一日止年度的估計應課稅溢利計提撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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For the year ended 31 March 2016
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11. Income Tax Expense (continued)

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

11. 所得稅開支(續)

所得稅開支與除稅前溢利乘以香港利得稅稅率所得乘積的對賬如下：

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|--|---------------------|----------------------------------|----------------------------------|
| Profit before tax | 除稅前溢利 | 50,706 | 56,283 |
| Tax at the domestic income tax rate of 16.5% | 按16.5%的本地所得稅稅率計算的稅項 | 8,366 | 9,287 |
| Tax effect of income that is not taxable | 毋須課稅收入的稅務影響 | (10) | (17) |
| Tax effect of expenses that are not deductible | 不可扣減開支的稅務影響 | 1,605 | 3 |
| Tax effect of temporary differences not recognised | 未確認暫時差額的稅務影響 | 299 | 27 |
| Tax effect of tax losses not recognised | 未確認稅項虧損的稅務影響 | 163 | 422 |
| Tax reduction | 稅務寬減 | (20) | (20) |
| Income tax expense | 所得稅開支 | 10,403 | 9,702 |

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For the year ended 31 March 2016
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12. Profit for the Year

The Group's profit for the year is stated after charging/ (crediting) the following:

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|--|------------|----------------------------------|----------------------------------|
| | Note 附註 | | |
| Auditor's remuneration | | 1,150 | 100 |
| Costs of construction materials | (a) | 137,700 | 87,985 |
| Depreciation | (b) | 4,591 | 3,408 |
| Listing expenses | | 8,736 | 2,565 |
| Loss on disposals of property, plant and equipment | (c) | 15 | 15 |
| Operating lease charges | (d) | | |
| – Hire of plant and equipment | | 8,746 | 3,644 |
| – Land and buildings | | 1,863 | 1,908 |
| | | 10,609 | 5,552 |
| Derecognition of financial guarantees | | (61) | (41) |

Note:

- (a) The amounts included in cost of sales.
- (b) The amounts included in cost of sales for the years ended 31 March 2016 and 2015 amounted to HK\$4,304,000 and HK\$3,205,000 respectively.
- (c) The amounts included in cost of sales for the years ended 31 March 2016 and 2015 amounted to HK\$3,000 and HK\$9,000 respectively.
- (d) The amounts included in cost of sales for the years ended 31 March 2016 and 2015 amounted to HK\$8,746,000 and HK\$3,713,000 respectively.

12. 年內溢利

本集團年內溢利已扣除／(計入)下列各項：

| | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|------------|----------------------------------|----------------------------------|
| Note 附註 | | |
| | 1,150 | 100 |
| (a) | 137,700 | 87,985 |
| (b) | 4,591 | 3,408 |
| | 8,736 | 2,565 |
| (c) | 15 | 15 |
| (d) | | |
| | 8,746 | 3,644 |
| | 1,863 | 1,908 |
| | 10,609 | 5,552 |
| | (61) | (41) |

附註：

- (a) 該金額已計入銷售成本。
- (b) 該金額已計入截至二零一六年及二零一五年三月三十一日止年度的銷售成本，分別為4,304,000港元及3,205,000港元。
- (c) 該金額已計入截至二零一六年及二零一五年三月三十一日止年度的銷售成本，分別為3,000港元及9,000港元。
- (d) 該金額已計入截至二零一六年及二零一五年三月三十一日止年度的銷售成本，分別為8,746,000港元及3,713,000港元。

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綜合財務報表附註

For the year ended 31 March 2016
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13. Employee Benefits Expense

13. 僱員福利開支

| | Note | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|--|------|----------------------------------|----------------------------------|
| | 附註 | | |
| Employee benefits expense (including directors' emoluments): | | | |
| Salaries, bonuses and allowances | | 44,771 | 26,105 |
| Retirement benefits scheme contributions | (a) | 1,488 | 863 |
| | (b) | 46,259 | 26,968 |

Note:

(a) Retirement benefits scheme contributions:

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK\$1,500 per employee (HK\$1,250 for the period from 1 June 2012 to 31 May 2014) and vest fully with employees when contributed into the MPF Scheme.

(b) The amounts included in cost of sales for the years ended 31 March 2016 and 2015 amounted to HK\$37,132,000 and HK\$20,511,000 respectively.

附註：

(a) 退休福利計劃供款：

本集團根據香港強制性公積金計劃條例就所有香港合資格僱員向強制性公積金計劃(「強積金計劃」)供款。本集團向強積金計劃作出的供款按僱員薪金及工資的5%計算，惟每名僱員的每月最高供款額為1,500港元(二零一二年六月一日至二零一四年五月三十一日期間為1,250港元)，而向強積金計劃供款後，供款即悉數歸僱員所有。

(b) 該金額已計入截至二零一六年及二零一五年三月三十一日止年度的銷售成本，分別為37,132,000港元及20,511,000港元。

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13. Employee Benefits Expense (continued)

Note: (continued)

(c) Five highest paid individuals:

The five highest paid individuals in the Group during the year included 1 (2015: 1) director whose emolument is reflected in the analysis presented in note 14. The emoluments of the remaining 4 (2015: 4) individuals are set out below:

13. 僱員福利開支(續)

附註：(續)

(c) 五位最高薪酬人士：

年內的五位最高薪酬人士中包括1名(二零一五年：1名)董事，其酬金已反映在附註14的分析內。餘下4名(二零一五年：4名)人士的酬金載列如下：

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|--|------------|----------------------------------|----------------------------------|
| Basic salaries, bonuses and allowances | 基本薪金、花紅及津貼 | 5,524 | 4,157 |
| Retirement benefits scheme contributions | 退休福利計劃供款 | 72 | 71 |
| | | 5,596 | 4,228 |

The emoluments fell within the following bands:

屬於下列範圍的酬金：

| Band of emoluments (HK\$) | 酬金範圍(港元) | 2016 二零一六年 number of person 人數 | 2015 二零一五年 number of person 人數 |
|--------------------------------|-------------------------|---|---|
| HK\$500,001 to HK\$1,000,000 | 500,001港元至1,000,000港元 | - | 1 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至1,500,000港元 | 2 | 3 |
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001港元至2,000,000港元 | 2 | - |

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14. Benefits and Interests of Directors

(a) Directors' emoluments:

The emoluments of every director is set out below:

14. 董事福利及權益

(a) 董事酬金：

各名董事的酬金載列如下：

| Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 就身為董事(不論本公司或其附屬公司業務)之個人服務已付或應收之酬金 | | | | | | |
|---|-----------|-----------------------------------|--|--|----------|----------|
| Fees | Salaries | Performance related bonuses | Estimated money value of other benefits | Retirement benefit scheme contributions | Total | |
| 袍金 | 薪金 | 表現花紅 | 其他福利之 估計金錢價值 | 退休福利計劃 供款 | 總計 | |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | | (note iii) (附註iii) | | | |
| Executive directors (note i): 執行董事(附註i)： | | | | | | |
| Mr. Yu Shiu Tin, Paul (Chairman) | 余耀天先生(主席) | - | 1,237 | 200 | - | 1,437 |
| Mr. Yeung Sau Ming, Boris | 楊秀明先生 | - | 741 | 200 | - | 954 |
| Ms. Chan Lai Kuen | 陳麗娟女士 | - | 282 | 150 | - | 443 |
| Independent non-executive directors (note ii): 獨立非執行董事(附註ii)： | | | | | | |
| Mr. Chan Kee Huen, Michael | 陳記煊先生 | 6 | - | - | - | 6 |
| Mr. Cheng Yan Kee | 鄭恩基先生 | 6 | - | - | - | 6 |
| Mr. Cheung Chi Fai, Frank | 張志輝先生 | 6 | - | - | - | 6 |
| Professor Chung Hung Kwan, Barnabas | 鍾鴻鈞教授 | 6 | - | - | - | 6 |
| Total for 2016 | 二零一六年總計 | 24 | 2,260 | 550 | - | 2,858 |

Certain comparative information of directors' emoluments for the year ended 31 March 2015 disclosed in accordance with the predecessor Hong Kong Companies Ordinance (Cap. 32) have been restated in order to comply with the scope and requirements of the new Hong Kong Companies Ordinance (Cap. 622).

根據前香港公司條例(第32章)披露截至二零一五年三月三十一日止年度董事酬金的若干比較資料已獲重列，以遵守新香港公司條例(第622章)的範圍及規定。

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14. Benefits and Interests of Directors (continued)

(a) Directors' emoluments: (continued)

| | | Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 就身為董事(不論本公司或其附屬公司業務)之個人服務已付或應收之酬金 | | | | | Total |
|---------------------------|------------|---|----------|-----------------------------------|--|--|----------|
| | | Fees | Salaries | Performance related bonuses | Estimated money value of other benefits | Retirement benefit scheme contributions | |
| | | 袍金 | 薪金 | 表現花紅 | 其他福利之 估計金錢價值 | 退休福利計劃 供款 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 (note iii) (附註iii) | 千港元 | 千港元 |
| Directors: | 董事: | | | | | | |
| Mr. Yu Shiu Tin, Paul | 余禰天先生 | - | 920 | - | - | 11 | 931 |
| Mr. Yeung Sau Ming, Boris | 楊秀明先生 | - | 91 | - | - | 10 | 101 |
| Ms. Chan Lai Kuen | 陳麗娟女士 | - | 6 | - | - | - | 6 |
| Total for 2015 | 二零一五年總計 | - | 1,017 | - | - | 21 | 1,038 |

Note:

- (i) Appointed on 23 July 2015.
- (ii) Appointed on 19 February 2016.
- (iii) Estimated money values of other benefits include cash allowances.

No share options or any other forms of share-based payments were granted to the directors during the year (2015: Nil).

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2015: Nil).

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

附註:

- (i) 於二零一五年七月二十三日獲委任。
- (ii) 於二零一六年二月十九日獲委任。
- (iii) 其他福利之估計金錢價值包括現金津貼。

年內，並無向董事授出購股權或任何其他形式的股份付款(二零一五年：無)。

年內，並無董事放棄或同意放棄任何薪酬的安排(二零一五年：無)。

(b) 董事於交易、安排或合約的重大權益

本公司概無就本集團業務訂立任何本公司董事及董事的關連方直接或間接於其中擁有重大權益並於年末或年內任何時間仍存續的重大交易、安排及合約。

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15. Dividends

| | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|-------------------------------|----------------------------------|----------------------------------|
| Special dividend paid 已派付特別股息 | 25,200 | - |

During the year ended 31 March 2016, the Group declared and paid special dividend of HK\$25,200,000 to its then shareholder.

於截至二零一六年三月三十一日止年度，本集團向其當時的股東宣派及派付特別股息25,200,000港元。

The Board does not recommend the payment of final dividend to shareholders for the year ended 31 March 2016.

董事會不建議向股東派付截至二零一六年三月三十一日止年度的末期股息。

16. Earnings Per Share

(a) Basic earnings per share

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

| | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Earnings Earnings for the purpose of calculating basic earnings per share | 40,303 | 46,581 |

盈利
計算每股基本盈利之盈利

| | 2016 二零一六年 '000 千股 | 2015 二零一五年 '000 千股 |
|--|-----------------------------|-----------------------------|
| Number of shares Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (note) | 304,098 | 300,000 |

股份數目
計算每股基本盈利之
普通股加權平均數
(附註)

Note: In determining the number of shares in issue, the total of 300,000,000 shares issued (10,000 shares issued on the incorporation of the Company and 299,990,000 shares issued on capitalisation issue (note 28) were deemed to have been in issue since 1 April 2014.

附註：於釐定已發行股份數目時，自二零一四年四月一日以來，合共300,000,000股股份（於本公司註冊成立時已發行10,000股股份及於資本化發行（附註28）時已發行299,990,000股股份）被視為已發行。

(b) Diluted earnings per share

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary shares during the two years ended 31 March 2016 and 2015.

(b) 每股攤薄盈利

由於本公司於截至二零一六年及二零一五年三月三十一日止兩個年度並無任何潛在攤薄普通股，故並無呈列每股攤薄盈利。

15. 股息

16. 每股盈利

(a) 每股基本盈利

每股基本盈利乃按以下方式計算：

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17. Property, Plant and Equipment

17. 物業、機器及設備

| | | Furniture and equipment 傢具及設備 HK\$'000 千港元 | Plant and machinery 機器及機械 HK\$'000 千港元 | Motor vehicles 汽車 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|----------------------------|--|--|--|--------------------------------|
| Cost | 成本 | | | | |
| As at 1 April 2014 | 於二零一四年四月一日 | 631 | 18,278 | 385 | 19,294 |
| Additions | 添置 | 306 | 28,783 | 688 | 29,777 |
| Disposals/write off | 出售/撇銷 | (65) | - | (19) | (84) |
| As at 31 March 2015 and 1 April 2015 | 於二零一五年三月三十一日及 二零一五年四月一日 | 872 | 47,061 | 1,054 | 48,987 |
| Additions | 添置 | 357 | 10,690 | 54 | 11,101 |
| Disposals/write off | 出售/撇銷 | (298) | (392) | (238) | (928) |
| As at 31 March 2016 | 於二零一六年三月三十一日 | 931 | 57,359 | 870 | 59,160 |
| Accumulated depreciation | 累計折舊 | | | | |
| As at 1 April 2014 | 於二零一四年四月一日 | 364 | 5,176 | 172 | 5,712 |
| Charge for the year | 年內支出 | 139 | 3,054 | 215 | 3,408 |
| Disposals/write off | 出售/撇銷 | (45) | - | (13) | (58) |
| As at 31 March 2015 and 1 April 2015 | 於二零一五年三月三十一日及 二零一五年四月一日 | 458 | 8,230 | 374 | 9,062 |
| Charge for the year | 年內支出 | 161 | 4,170 | 260 | 4,591 |
| Disposals/write off | 出售/撇銷 | (298) | (390) | (211) | (899) |
| As at 31 March 2016 | 於二零一六年三月三十一日 | 321 | 12,010 | 423 | 12,754 |
| Carrying amount | 賬面值 | | | | |
| As at 31 March 2016 | 於二零一六年三月三十一日 | 610 | 45,349 | 447 | 46,406 |
| As at 31 March 2015 | 於二零一五年三月三十一日 | 414 | 38,831 | 680 | 39,925 |

At 31 March 2016, the carrying amount of property, plant and equipment held by the Group under finance leases amounted to HK\$31,049,000 (2015: HK\$26,341,000).

於二零一六年三月三十一日，本集團以融資租賃持有的物業、機器及設備的賬面值為31,049,000港元(二零一五年：26,341,000港元)。

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18. Inventories

| | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|-----------------------------|----------------------------------|----------------------------------|
| Construction materials 建築材料 | 1,228 | 369 |

18. 存貨

19. Trade and Retention Receivables

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|-----------------------------|-----|----------------------------------|----------------------------------|
| Trade receivables 貿易應收款項 | (a) | 49,484 | 78,823 |
| Retention receivables 應收保固金 | (b) | 44,100 | 36,723 |
| | | 93,584 | 115,546 |

19. 貿易應收款項及應收保固金

Note:

- (a) The Group's trade receivables represent progress billings receivables from contract customers. The general credit terms of trade receivables were within 14 days to 45 days. Application for progress payment of contract works is made on a regular basis. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by directors.

The ageing analysis of trade receivables, based on the progress payment, is as follows:

附註：

- (a) 本集團的貿易應收款項指合約客戶的應收進度款。貿易應收款項的信用期通常為14天至45天內。合約工程進度付款乃定期申請。本集團對其未收回應收款項維持嚴格監控。董事定期檢討逾期結餘。

以下為以進度付款為基準的貿易應收款項賬齡分析：

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|-----------------------|--|----------------------------------|----------------------------------|
| 0 to 30 days 0至30日 | | 29,733 | 65,480 |
| 31 to 60 days 31日至60日 | | 14,020 | 13,343 |
| Over 60 days 60日以上 | | 5,731 | - |
| | | 49,484 | 78,823 |

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19. Trade and Retention Receivables (continued)

Note: (continued)

(a) (continued)

As part of its normal business, the Group entered into a trade receivable factoring arrangement and transferred certain trade receivables to a bank. If the trade receivables are not paid at maturity, the bank has the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to these trade receivables, it continues to recognise the full carrying amount of the receivables. Cash received from the bank are recognised as factoring loans and are disclosed in note 25 to the consolidated financial statements.

As at 31 March 2016, the carrying amount of the trade receivables that have been transferred but have not been derecognised amounted to HK\$23,930,000 (2015: HK\$21,046,000). The carrying amount of the factoring loans financed as at 31 March 2016 is HK\$26,730,000 (2015: HK\$11,201,000) and unutilised factoring loan facilities from the bank amounting to HK\$11,270,000 (2015: HK\$6,689,000).

As at 31 March 2016, trade receivables of HK\$19,774,000 (2015: HK\$13,343,000) were past due but not impaired respectively. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|--------------------|-------|----------------------------------|----------------------------------|
| Less than 3 months | 少於3個月 | 19,443 | 13,343 |
| 3 to 6 months | 3至6個月 | 331 | - |
| | | 19,774 | 13,343 |

The carrying amounts of the Group's trade receivables are denominated in Hong Kong dollars.

19. 貿易應收款項及應收保固金 (續)

附註：(續)

(a) (續)

作為日常業務的一部分，本集團訂立貿易應收款項保理安排，將其若干貿易應收款項轉讓予一家銀行。倘該等貿易應收款項並未到期支付，則銀行將有權要求本集團支付未結算結餘。由於本集團並無轉讓與該等貿易應收款項有關的重大風險及回報，其繼續確認此等應收款項的全部賬面值。自銀行收取的現金確認為保理貸款及披露於綜合財務報表附註25。

於二零一六年三月三十一日，已轉讓但尚未終止確認的貿易應收款項的賬面值為23,930,000港元(二零一五年：21,046,000港元)。於二零一六年三月三十一日，籌措的保理貸款的賬面值為26,730,000港元(二零一五年：11,201,000港元)，及來自銀行的未動用保理貸款融資為11,270,000港元(二零一五年：6,689,000港元)。

於二零一六年三月三十一日，已逾期但尚未減值的貿易應收款項為19,774,000港元(二零一五年：13,343,000港元)。該等貿易應收款項涉及多名無近期拖欠記錄的獨立客戶。該等貿易應收款項的賬齡分析如下：

本集團貿易應收款項的賬面值乃按港元計值。

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19. Trade and Retention Receivables (continued)

Note: (continued)

- (b) Retention receivables represent certified contract payments in respect of works performed, for which payments are withheld by customers for retention purposes, and the amount retained is withheld on each payment up to a maximum amount calculated as a prescribed percentage of the contract sum. The retention receivables should be released to the Group pursuant to the provisions of the relevant contracts after the completion of the projects (i.e. 12 months after the completion of the contracts).

As at 31 March 2016, retention receivables of HK\$6,720,000 (2015: HK\$2,568,000) were past due but not impaired respectively. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these retention receivables is as follows:

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|---------------|-------|----------------------------------|----------------------------------|
| 3 to 6 months | 3至6個月 | 1,070 | - |
| Over 6 months | 6個月以上 | 5,650 | 2,568 |
| | | 6,720 | 2,568 |

As at 31 March 2016, the amount of retention receivables expected to be recovered after more than twelve months was HK\$17,342,000 (2015: HK\$25,761,000).

The carrying amounts of the Group's retention receivables are denominated in Hong Kong dollars.

19. 貿易應收款項及應收保固金
(續)

附註：(續)

- (b) 應收保固金指就已進行工程所支付的已認證工程付款，客戶出於質保目的於每次付款時預扣此款項，預扣的最高金額根據合同金額的指定百分比計算。根據有關合同條款，應收保固金於項目完成後（即合約完成後12個月）才發還予本集團。

於二零一六年三月三十一日，已逾期但尚未減值的應收保固金為6,720,000港元（二零一五年：2,568,000港元）。該等應收保固金涉及多名無近期拖欠記錄的獨立客戶。該等應收保固金的賬齡分析如下：

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|---------------|-------|----------------------------------|----------------------------------|
| 3 to 6 months | 3至6個月 | 1,070 | - |
| Over 6 months | 6個月以上 | 5,650 | 2,568 |
| | | 6,720 | 2,568 |

於二零一六年三月三十一日，預計將於逾十二個月後收回的應收保固金為17,342,000港元（二零一五年：25,761,000港元）。

本集團應收保固金的賬面值乃按港元計值。

20. Gross Amounts due from/(to) Customers for Contract Work

20. 應收／（應付）客戶合約工程
款項總額

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|--|--------------------------|----------------------------------|----------------------------------|
| Contract costs incurred plus recognised profits less recognised losses to date | 截至該日止產生的合約成本加已確認溢利減已確認虧損 | 1,114,674 | 845,350 |
| Less: Progress billings | 減：進度款 | (1,017,322) | (782,844) |
| | | 97,352 | 62,506 |
| Gross amounts due from customers for contract work | 應收客戶合約工程款項總額 | 101,319 | 73,780 |
| Gross amounts due to customers for contract work | 應付客戶合約工程款項總額 | (3,967) | (11,274) |
| | | 97,352 | 62,506 |

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21. Pledged Bank Deposits and Bank and Cash Balances

21. 已抵押銀行存款以及銀行及現金結餘

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|------------------------|---------|----------------------------------|----------------------------------|
| Pledged bank deposits | 已抵押銀行存款 | 12,378 | 21,783 |
| Bank and cash balances | 銀行及現金結餘 | 71,208 | 5,936 |
| | | 83,586 | 27,719 |

The Group's pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group as set out in note 25 to the consolidated financial statements.

本集團的已抵押銀行存款指抵押予銀行的存款，以作為本集團獲授銀行融資的抵押（載於綜合財務報表附註25）。

Pledged bank deposits and bank and cash balances are denominated in the following currencies:

按以下幣種計值的已抵押銀行存款以及銀行及現金結餘如下：

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|-------------------|-----|----------------------------------|----------------------------------|
| Hong Kong dollars | 港元 | 83,401 | 10,135 |
| Renminbi | 人民幣 | 185 | 17,584 |
| | | 83,586 | 27,719 |

22. Trade and Retention Payables

22. 貿易應付款項及應付保固金

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|--------------------|--------|----------------------------------|----------------------------------|
| Trade payables | 貿易應付款項 | 41,599 | 76,074 |
| Retention payables | 應付保固金 | 13,144 | 12,463 |
| | | 54,743 | 88,537 |

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22. Trade and Retention Payables (continued)

Note:

- (a) The aging analysis of trade payables, based on the date of receipt of goods/services, is as follows:

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|---------------|---------|----------------------------------|----------------------------------|
| 0 to 30 days | 0至30日 | 24,998 | 46,970 |
| 31 to 60 days | 31日至60日 | 11,537 | 16,305 |
| 61 to 90 days | 61日至90日 | 333 | 8,065 |
| Over 90 days | 90日以上 | 4,731 | 4,734 |
| | | 41,599 | 76,074 |

The carrying amounts of the Group's trade payables are denominated in Hong Kong dollars.

- (b) As at 31 March 2016, the amount of retention payables expected to be due after more than twelve months was HK\$9,119,000 (2015: HK\$7,665,000).

The carrying amounts of retention payables are denominated in Hong Kong dollars.

23. Accruals and Other Payables

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|----------------|--------|----------------------------------|----------------------------------|
| Accruals | 應計費用 | 8,828 | 2,318 |
| Other payables | 其他應付款項 | 435 | 4,250 |
| | | 9,263 | 6,568 |

The carrying amounts of accruals and other payables are denominated in Hong Kong dollars.

22. 貿易應付款項及應付保固金 (續)

附註：

- (a) 貿易應付款項按收取貨物／服務日期的賬齡分析如下：

| | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|---------------|----------------------------------|----------------------------------|
| 0 to 30 days | 24,998 | 46,970 |
| 31 to 60 days | 11,537 | 16,305 |
| 61 to 90 days | 333 | 8,065 |
| Over 90 days | 4,731 | 4,734 |
| | 41,599 | 76,074 |

本集團貿易應付款項的賬面值乃按港元計值。

- (b) 於二零一六年三月三十一日，預計將於逾十二個月後到期的應付保固金金額為9,119,000港元(二零一五年：7,665,000港元)。

應付保固金的賬面值乃按港元計值。

23. 應計費用及其他應付款項

| | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|----------------|----------------------------------|----------------------------------|
| Accruals | 8,828 | 2,318 |
| Other payables | 435 | 4,250 |
| | 9,263 | 6,568 |

應計費用及其他應付款項的賬面值乃按港元計值。

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24. Finance Lease Payables

In the consolidated statement of financial position, obligations under finance leases due for repayment after one year which contain repayment on demand clause were classified as current liabilities. The maturity of obligations under finance leases are as follows:

24. 融資租賃應付款項

於綜合財務狀況表，載有按要求償還條款須於一年後到期償還的融資租賃項下責任被分類為流動負債。融資租賃項下責任的到期情況如下：

| | | Minimum lease payments | | Present value of minimum lease payments | |
|--|-----------------------------|------------------------|----------|---|----------|
| | | 2016 | 2015 | 2016 | 2015 |
| | | 二零一六年 | 二零一五年 | 二零一六年 | 二零一五年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| Within one year | 一年內 | 8,223 | 6,651 | 7,730 | 6,070 |
| In the second to fifth years, inclusive | 第二至五年(包括首尾兩年) | 10,291 | 13,242 | 10,000 | 12,746 |
| | | 18,514 | 19,893 | 17,730 | 18,816 |
| Less: Future finance charges | 減：未來融資支出 | (784) | (1,077) | N/A不適用 | N/A不適用 |
| Present value of lease obligations | 租賃責任的現值 | 17,730 | 18,816 | 17,730 | 18,816 |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | 減：須於12個月內到期償付的款項(於流動負債項下列示) | | | (17,445) | (18,428) |
| Amount due for settlement after 12 months | 須於12個月後到期償付的款項 | | | 285 | 388 |

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24. Finance Lease Payables (continued)

It is the Group's policy to lease certain of its property, plant and equipment under finance leases. The average lease term is 4 years (2015: 4 years). At 31 March 2016, the average effective borrowing rate was 3.47% (2015: 3.70%). As at 31 March 2016, finance lease payables of HK\$414,000 (2015: HK\$530,000) bear fixed interest rate at the contract date and thus expose the Group to fair value interest rate risk. The remaining finance lease payables are arranged at floating rates and expose the Group to cash flow interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the Group has the option to purchase the property, plant and equipment at nominal prices.

None of the portion of finance lease payables due for repayment after one year which contains a repayment on demand clause and that is classified as a current liability is expected to be settled within one year.

All finance lease payables are denominated in Hong Kong dollars.

The Group's finance lease payables are secured by corporate guarantees executed by the Company.

25. Bank Borrowings

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|---------------------|--------|----------------------------------|----------------------------------|
| Bank loans | 銀行貸款 | 13,334 | 3,414 |
| Trust receipt loans | 信託收據貸款 | 16,554 | 21,480 |
| Factoring loans | 保理貸款 | 26,730 | 11,201 |
| Bank overdrafts | 銀行透支 | - | 2,669 |
| | | 56,618 | 38,764 |

24. 融資租賃應付款項(續)

本集團的政策為根據融資租賃租用若干物業、機器及設備。平均租期為4年(二零一五年：4年)。於二零一六年三月三十一日，平均實際借款利率為3.47%(二零一五年：3.70%)。於二零一六年三月三十一日，融資租賃應付款項為414,000港元(二零一五年：530,000港元)，均按合約日期的固定利率計息，因而令本集團面臨公平值利率風險。餘下融資租賃應付款項按浮動利率計息，令本集團面臨現金流利率風險。所有租賃按固定還款基準計算，而並無就或然租金付款訂立任何安排。於各租期結束時，本集團可選擇按名義價格購買物業、機器及設備。

載有按要求償還條款須於一年後到期償還且分類為流動負債的融資租賃應付款項預期毋須於一年內清償。

所有融資租賃應付款項均以港元計值。

本集團的融資租賃應付款項由本公司簽立的公司擔保抵押。

25. 銀行借款

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25. Bank Borrowings (continued)

In the consolidated statement of financial position, bank borrowings due for repayment after one year which contain repayment on demand clause were classified as current liabilities. Based on the scheduled repayment set out in the banking facility agreements, the maturity of obligations under bank borrowings was as follows:

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|--|---------------|----------------------------------|----------------------------------|
| On demand or within one year | 按要求或一年內 | 56,618 | 36,353 |
| In the second year | 第二年 | - | 1,045 |
| In the third to fifth years, inclusive | 第三至五年(包括首尾兩年) | - | 1,366 |
| | | 56,618 | 38,764 |

None of the portion of bank borrowings due for repayment after one year which contains a repayment on demand clause and that is classified as a current liability is expected to be settled within one year.

The average interest rates payable at the end of the reporting period were as follows:

| | | 2016 二零一六年 | 2015 二零一五年 |
|---------------------|--------|---------------|---------------|
| Bank loans | 銀行貸款 | 2.91% | 4.00% |
| Trust receipt loans | 信託收據貸款 | 4.17% | 3.59% |
| Factoring loans | 保理貸款 | 2.11% | 2.06% |
| Bank overdrafts | 銀行透支 | N/A 不適用 | 5.25% |

All bank borrowings are denominated in Hong Kong dollars and are arranged at floating rates and expose the Group to cash flow interest rate risk.

The security of the Group's bank borrowings are disclosed in note 26(a) to the consolidated financial statements.

25. 銀行借款(續)

於綜合財務狀況表內，載有按要求償還條款須於一年後到期償還的銀行借款被分類為流動負債。根據銀行融資協議所載的預定償還，銀行借款項下責任的到期情況如下：

載有按要求償還條款須於一年後到期償還且分類為流動負債的銀行借款預期毋須於一年內清償。

於報告期末的平均應付利率如下：

所有銀行借款均以港元計值及按浮動利率計息，令本集團面臨現金流利率風險。

本集團銀行借款的抵押品已於綜合財務報表附註26(a)披露。

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26. Credit Facilities

(a) At 31 March 2016, the Group had available and unutilised facilities from banks amounting to HK\$25,116,000 (2015: HK\$13,051,000). Certain of these facilities are secured by:

- (i) The Group's trade receivables of HK\$23,930,000 (2015: HK\$21,046,000);
- (ii) The Group's pledged bank deposits of HK\$12,378,000 (2015: HK\$21,783,000);
- (iii) The Group's property, plant and equipment of HK\$31,049,000 (2015: HK\$26,341,000);
- (iv) Corporate guarantees executed by the Company.

Except for finance lease payables amounted to HK\$414,000 (2015: HK\$530,000), the Group's term loan agreements contain clauses which give the lenders the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations.

The Group regularly monitors its compliance with loan covenants, is up to date with the scheduled repayments of the term loans and does not consider it probable that the banks will exercise their discretion to demand repayment for so long as the Group continues to meet these requirements. Further details of the Group's management of liquidity risk are set out in note 6(c) to the consolidated financial statements.

26. 信貸融資

(a) 於二零一六年三月三十一日，本集團的可動用及未動用銀行融資為25,116,000港元(二零一五年：13,051,000港元)。若干該等融資部分由以下款項作為抵押：

- (i) 本集團之貿易應收款項23,930,000港元(二零一五年：21,046,000港元)；
- (ii) 本集團之已抵押銀行存款12,378,000港元(二零一五年：21,783,000港元)；
- (iii) 本集團之物業、機器及設備31,049,000港元(二零一五年：26,341,000港元)；
- (iv) 本公司簽立之公司擔保。

除為數414,000港元(二零一五年：530,000港元)融資租賃應付款項外，本集團定期貸款協議附帶條款，不論本集團是否已遵守契諾及是否已履行預定的還款責任，該附帶條款給予貸款人全權酌情隨時要求本集團即時還款的權利。

本集團定期監察其是否已遵守貸款契諾，截至目前如期償還定期貸款，並認為只要本集團繼續符合該等規定，則銀行不大可能行使其要求還款的酌情權。有關本集團流動資金風險管理的進一步詳情，載於綜合財務報表附註6(c)。

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26. Credit Facilities (continued)

(b) At 31 March 2016, the Group had other facilities from an insurance company for the issuance of performance bonds during its ordinary course of business. Certain of these performance bonds are secured by:

- (i) The Group's other receivables of HK\$5,116,000 (2015: HK\$3,027,000);
- (ii) Corporate guarantees executed by the Company.

27. Deferred Tax

The following are the deferred tax liabilities recognised by the Group.

26. 信貸融資(續)

(b) 於二零一六年三月三十一日，本集團曾在日常營業過程中提供履約保證金，因而擁有來自一家保險公司的其他融資。該等履約保證金部分由以下款項作為抵押：

- (i) 本集團之其他應收款項 5,116,000 港元 (二零一五年：3,027,000 港元)；
- (ii) 本公司簽立之公司擔保。

27. 遞延稅項

本集團確認的遞延稅項負債如下。

| | | Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元 |
|--------------------------------------|----------------------------|---|
| As at 1 April 2014 | 於二零一四年四月一日 | - |
| Charge for the year (note 11) | 年內支出(附註11) | (1,587) |
| As at 31 March 2015 and 1 April 2015 | 於二零一五年三月三十一日及 二零一五年四月一日 | (1,587) |
| Charge for the year (note 11) | 年內支出(附註11) | (1,605) |
| As at 31 March 2016 | 於二零一六年三月三十一日 | (3,192) |

As at 31 March 2016, the Group has unused tax losses of HK\$8,732,000 (2015: HK\$8,002,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Unrecognised tax losses may be carried forward indefinitely.

At 31 March 2016, the aggregate amount of temporary differences associated with accelerated tax depreciation for which deferred tax liabilities have not been recognised is HK\$6,928,000 (2015: HK\$6,979,000). No liability has been recognised in respect of these differences because it is probable that such differences will not reverse in the foreseeable future.

於二零一六年三月三十一日，本集團可供抵銷未來溢利的未動用稅項虧損為 8,732,000 港元 (二零一五年：8,002,000 港元)。由於未來溢利流無法預測，故並無確認遞延稅項資產。未確認稅項虧損可無限期結轉。

於二零一六年三月三十一日，與尚未確認遞延稅項負債的加速稅項折舊有關的暫時差額的總金額為 6,928,000 港元 (二零一五年：6,979,000 港元)。由於該等差額不大可能會於可見將來撥回，故並無就該等差額確認負債。

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28. Share Capital

28. 股本

| | | Note 附註 | Number of shares 股份數目 '000 千股 | Amount 金額 HK\$'000 千港元 |
|---|-------------------------------|------------|---|---------------------------------|
| <i>Authorised:</i> | | | | |
| Ordinary shares of HK\$0.01 each | 法定： 每股面值0.01港元之 普通股 | | | |
| Upon incorporation | 於註冊成立後 | (a) | 5,000 | 50 |
| Increase in authorised share capital | 法定股本增加 | (b) | 9,995,000 | 99,950 |
| As at 31 March 2016 | 於二零一六年三月 三十一日 | | 10,000,000 | 100,000 |
| <i>Issued and fully paid:</i> | | | | |
| Ordinary shares of HK\$0.01 each | 已發行及繳足： 每股面值0.01港元之 普通股 | | | |
| Upon incorporation | 於註冊成立後 | (a) | 10 | —* |
| Issue of shares through placing and public offer | 透過配售及公開發售發行 股份 | (c) | 100,000 | 1,000 |
| Capitalisation issue of shares | 資本化發行股份 | (d) | 299,990 | 3,000 |
| As at 31 March 2016 | 於二零一六年三月 三十一日 | | 400,000 | 4,000 |

* Represents the amount less than HK\$1,000.

* 指金額少於1,000港元。

Notes:

附註：

- (a) The Company was incorporated under the laws of Cayman Islands with limited liability on 23 July 2015 with an authorised share capital of HK\$50,000 divided into 5,000,000 ordinary shares with a par value of HK\$0.01 each, of which 10,000 ordinary shares were allotted and issued at par credited as fully paid to New Grace Gain Limited ("Shareholder"), a company incorporated in British Virgin Islands, on the same date.
- (b) Pursuant to the written resolution passed on 19 February 2016 by the Shareholder, the authorised ordinary share capital of the Company was increased from HK\$50,000 to HK\$100,000,000 by the creation of 9,995,000,000 ordinary shares of HK\$0.01 each, such new shares ranking pari passu in all respects with the existing shares of the Company.
- (c) On 17 March 2016, 100,000,000 ordinary shares were allotted and issued at price of HK\$0.95 each following the Listing.
- (d) On 18 March 2016, 299,990,000 ordinary shares were allotted and issued at par to the Shareholder by way of capitalisation of the sum of HK\$2,999,900 standing to the credit of the share premium account of the Company.

- (a) 本公司於二零一五年七月二十三日根據開曼群島法律註冊成立為一家有限公司，其法定股本為50,000港元，分為5,000,000股每股面值0.01港元的普通股，其中10,000股入賬列作繳足的普通股於同日按面值配發及發行予New Grace Gain Limited（「股東」）。New Grace Gain Limited為一家同日於英屬處女群島註冊成立的公司。
- (b) 根據股東於二零一六年二月十九日通過的書面決議案，透過增設9,995,000,000股每股面值0.01港元的普通股，本公司的法定普通股本由50,000港元增至100,000,000港元，該等新股份在各方面與本公司現有股份享有同等地位。
- (c) 於二零一六年三月十七日，於上市後已按每股0.95港元之價格配發及發行100,000,000股普通股。
- (d) 於二零一六年三月十八日，本公司以資本化發行方式將金額2,999,900港元進賬至本公司股份溢價賬，按面值向股東配發及發行299,990,000股普通股。

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28. Share Capital (continued)

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts, redemption of existing debts or selling assets to reduce debts.

The Group monitors capital on the basis of the gearing ratio, which is the total borrowings divided by the total equity of the Company. The total borrowings include finance lease payables and bank borrowings.

The gearing ratios at the end of the reporting period were as follows:

28. 股本(續)

本集團管理資本的目標是保障本集團持續經營業務的能力及透過優化債務及資本平衡盡可能為股東提供更高回報。

本集團透過考慮資本成本及與各類資本相關聯的風險頻繁審核股本架構。本集團將透過派付股息、發行新股及股份購回以及發行新債務、贖回現有債務或出售資產以減少負債的方式平衡其整體資本架構。

本集團根據資產負債比率監控資本，資產負債比率為本公司的借款總額除以權益總額。借款總額包括融資租賃應付款項及銀行借款。

於報告期末的資產負債比率如下：

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|--------------------------|---------------|----------------------------------|----------------------------------|
| Bank borrowings | 銀行借款 | 56,618 | 38,764 |
| Finance lease payables | 融資租賃應付款項 | 17,730 | 18,816 |
| Due to directors | 應付董事款項 | - | 4,487 |
| Due to related companies | 應付關聯公司款項 | - | 11,622 |
| Total debts | 總債務 | 74,348 | 73,689 |
| Total equity | 權益總額 | 184,053 | 80,547 |
| Gearing ratio | 資產負債比率 | 40.4% | 91.5% |

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28. Share Capital (continued)

The externally imposed capital requirements for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants attached to the bank borrowings.

The Group receives a report from the share registrars weekly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year. As at 31 March 2016, 25% (2015: Nil) of the shares were in public hands.

Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any bank borrowings for the years ended 31 March 2016 and 2015.

29. Share-Based Payments

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants include the full-time or part-time employee of the Company or any member of the Group, including any executive, non-executive Directors and independent non-executive Directors, advisors, consultants, other contractors, business partners of the Company or any Subsidiaries. The Scheme became effective on 19 February 2016 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any twelve months period is limited to 1 per cent of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting.

28. 股本(續)

外部施加於本集團的資本要求為(i)其公眾持股量須最少為股份的25%，以維持其於聯交所的上市地位；及(ii)滿足銀行借款所附的財務契諾。

本集團每週接獲股份過戶登記處發出顯示非公眾持股量的重大股份權益的報告，該報告顯示本集團於整個年度內持續遵守25%的限額。於二零一六年三月三十一日，公眾持股量為股份的25% (二零一五年：零)。

未能滿足財務契諾時，銀行有權立即催收借款。截至二零一六年及二零一五年三月三十一日止年度，並無違反任何銀行借款的財務契諾。

29. 股份付款

本公司設立一項購股權計劃(「該計劃」)，旨在向為本集團經營成功作出貢獻的合資格參與者提供獎勵及回報。合資格參與者包括本公司或本集團任何成員公司的全職或兼職僱員，包括本公司或任何附屬公司的任何執行、非執行董事及獨立非執行董事、顧問、諮詢師、其他訂約人、業務合作夥伴。該計劃已於二零一六年二月十九日生效，除非遭另行撤銷或修訂，否則將自該日起計十年內持續有效。

根據該計劃現時可授出之未行使購股權之最高數目於行使時相等於本公司於任何時間之已發行股份10%。於任何十二個月期間內，根據該計劃授予各合資格參與者之購股權可予發行之最高股份數目以本公司任何時候已發行股份之1%為限。授出超過此限制之任何其他購股權須獲股東於股東大會上批准。

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29. Share-Based Payments (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any twelve months period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotation sheets issued by the Stock Exchange on the offer date of the share options; (ii) the average closing price of the Company's shares as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the offer date; and (iii) the nominal value of the Company's shares on the offer date, when applicable.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

During the year ended 31 March 2016, no share option granted under the Share Option Scheme.

29. 股份付款(續)

授予本公司董事、主要行政人員或主要股東或彼等任何聯繫人士之購股權須經獨立非執行董事事先批准。此外，於任何十二個月期間內，倘授予本公司主要股東或獨立非執行董事或彼等任何聯繫人士之任何購股權超逾本公司任何時候之已發行股份0.1%或根據於授出日期本公司股份價格計算之總值超過5,000,000港元，則須經股東於股東大會上事先批准。

根據該計劃授予購股權之要約可由承授人於要約日期起計21天內於支付名義代價合共1港元後接納。所授出購股權之行使期乃由董事釐定，並於若干歸屬期後開始，及不遲於購股權要約日期起計五年或該計劃屆滿當日(以較早者為準)完結。

購股權之行使價由董事釐定，惟不得低於以下之最高者(i)本公司股份於購股權要約日期在聯交所發出的每日報價表所示之收市價；(ii)本公司股份於緊接要約日期前五個交易日在聯交所發出的每日報價表所示之平均收市價；及(iii)本公司股份於要約日期之面值(如適用)。

購股權並不賦予持有人收取股息或於股東大會投票之權利。

於截至二零一六年三月三十一日止年度，概無根據購股權計劃授出購股權。

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30. Statement of Financial Position and Reserve
Movement of the Company

(a) Statement of financial position of the Company

30. 本公司財務狀況表及儲備變動

(a) 本公司財務狀況表

| | | Note 附註 | At 31 March 於三月三十一日 2016 二零一六年 HK\$'000 千港元 |
|--|-----------------|------------|--|
| Non-current assets | 非流動資產 | | |
| Investment in a subsidiary | 於附屬公司的投資 | | -* |
| Current assets | 流動資產 | | |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | | 62 |
| Due from a subsidiary | 應收附屬公司款項 | | 88,119 |
| Bank and cash balances | 銀行及現金結餘 | | 263 |
| | | | 88,444 |
| Current liabilities | 流動負債 | | |
| Accruals and other payables | 應計費用及其他應付款項 | | 65 |
| Due to a subsidiary | 應付附屬公司款項 | | -* |
| | | | 65 |
| Net current assets | 流動資產淨值 | | 88,379 |
| Total assets less current liabilities | 總資產減流動負債 | | 88,379 |
| NET ASSETS | 資產淨值 | | 88,379 |
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 28 | 4,000 |
| Reserves | 儲備 | 30(b) | 84,379 |
| TOTAL EQUITY | 權益總額 | | 88,379 |

* Represents the amount less than HK\$1,000.

* 指金額少於1,000港元。

Approved by the Board of Directors on 22 June 2016 and
are signed on its behalf by:

經董事會於二零一六年六月
二十二日批准並由以下董事代表
簽署：

Yu Shiu Tin Paul
余嘯天
Executive Director
執行董事

Yeung Sau Ming Boris
楊秀明
Executive Director
執行董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2016
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30. Statement of Financial Position and Reserve Movement of the Company (continued)

(b) Reserve movement of the Company

| | | Share premium 股份溢價 | Accumulated losses 累計虧損 | Total equity 權益總額 |
|---|-----------------------|--|--|------------------------------|
| | | HK\$'000 千港元 (note 31) (附註31) | HK\$'000 千港元 | HK\$'000 千港元 |
| Capitalisation issue of shares (note 28) | 資本化發行股份 (附註28) | (3,000) | – | (3,000) |
| Issue of new shares pursuant to placing and public offer | 根據配售及公開發售 發行新股份 | 94,000 | – | 94,000 |
| Cost of issuing new shares pursuant to placing and public offer | 根據配售及公開發售 發行新股份之成本 | (6,597) | – | (6,597) |
| Total comprehensive income for the year | 年內全面收益總額 | – | (24) | (24) |
| Changes in equity for the year | 年內權益變動 | 84,403 | (24) | 84,379 |
| As at 31 March 2016 | 於二零一六年 三月三十一日 | 84,403 | (24) | 84,379 |

31. Reserves

(a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity on pages 45 and 48 of the consolidated financial statements respectively.

30. 本公司財務狀況表及儲備變動(續)

(b) 本公司儲備變動

31. 儲備

(a) 本集團

本集團儲備金額及其變動分別於綜合財務報表第45及48頁的綜合損益及其他全面收益表以及綜合權益變動表呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2016
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31. Reserves (continued)

(b) Share premium

Under the Companies Law 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 dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and after deduction of capitalisation issue and issuance costs of shares.

32. Subsidiaries

Particulars of the principal subsidiaries as at 31 March 2016 are as follows:

| Name 名稱 | Place of incorporation/ establishment 註冊成立/成立地點 | Date of incorporation/ establishment 註冊成立/成立日期 | Issued and paid up capital 已發行及繳足股本 | Percentage of ownership interest/ voting power/ profit sharing 擁有權益/投票權/ 分佔溢利百分比 | | Principal activities 主要業務 |
|--|---|--|--|--|----------------|--|
| | | | | Direct 直接 | Indirect 間接 | |
| K. H. Development Holdings Limited 劍虹發展控股有限公司 | British Virgin Islands 英屬處女群島 | 13 August 2015 二零一五年八月十三日 | US\$100 100美元 | 100% | - | Investment holding 投資控股 |
| K. H. Civil Engineering Limited 劍虹土木工程有限公司 | Hong Kong 香港 | 5 March 2001 二零零一年三月五日 | HK\$100 100港元 | - | 100% | Provision of foundation services 地基服務供應 |
| K. H. Foundations Limited 劍虹地基有限公司 | Hong Kong 香港 | 4 January 1985 一九八五年一月四日 | HK\$22,962,000 22,962,000港元 | - | 100% | Provision of foundation services 地基服務供應 |
| K. H. Holdings Limited 劍虹控股有限公司 | Hong Kong 香港 | 15 September 2006 二零零六年九月十五日 | HK\$1 1港元 | - | 100% | Investment holding 投資控股 |
| K. H. Machinery Limited 劍虹機械有限公司 | Hong Kong 香港 | 23 January 2007 二零零七年一月二十三日 | HK\$3,000 3,000港元 | - | 100% | Leasing of machinery 機械租賃 |
| K. H. Piling & Engineering Limited 劍虹打樁工程有限公司 | Hong Kong 香港 | 8 November 2012 二零一二年十一月八日 | HK\$100 100港元 | - | 100% | Inactive 暫不經營業務 |

31. 儲備(續)

(b) 股份溢價

根據開曼群島公司法，本公司股份溢價賬的資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期的債務。

股份溢價指以高於每股股份面值的價格發行股份所產生的溢價，並已經扣除資本化發行及股份發行成本。

32. 附屬公司

於二零一六年三月三十一日的主要附屬公司詳情如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2016
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33. Notes to the Consolidated Statement of Cash Flows

Major non-cash transaction

Additions of property, plant and equipment for the year ended 31 March 2016 amounted to HK\$5,648,000 (2015: HK\$18,572,000) were financed by finance leases.

34. Contingent Liabilities

- (a) At the end of the reporting period, the Group has provided guarantees to banks and insurance companies as follows:

| Guarantees on performance bonds for construction contracts | 為建築合約履約保證金提供擔保 |
|--|----------------|
| | 19,155 |

- (b) During the year ended 31 March 2016, a subcontractor claimed against the Group for certain construction works. The Group and the subcontractor agree to resolve their disputes by arbitration or by other means of dispute resolution. The Group assessed the maximum liability on the claim would be approximately HK\$7,734,000.

The management, after taking external legal advice, consider that it is pre-mature to assess the outcome for the said claim. Accordingly, no provision has been made for the claim.

Pursuant to the deed of indemnity, the Controlling Shareholders have irrevocably and unconditionally, jointly and severally, agreed to indemnify the Group against, among others, all loss and damages arising from the disputes.

33. 綜合現金流量表附註

重大非現金交易

截至二零一六年三月三十一日止年度，金額為5,648,000港元(二零一五年：18,572,000港元)的物業、機器及設備添置由融資租賃撥付資金。

34. 或然負債

- (a) 於報告期末，本集團已向多家銀行及多家保險公司提供如下擔保：

| 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 19,155 | 41,777 |

- (b) 於截至二零一六年三月三十一日止年度，一名分包商就若干建築工程向本集團提出索償。本集團及該分包商同意透過仲裁或其他糾紛解決方式解決其糾紛。本集團評估的最高索償責任約7,734,000港元。

管理層在考慮外部法律意見後認為，評估上述索償的結果的時機尚不成熟。因此，並無就該索償計提撥備。

根據彌償保證契據，控股股東已不可撤銷及無條件地共同及個別同意，就(其中包括)因糾紛而產生的一切損失及損害賠償向本集團作出彌償。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

35. Capital Commitments

The Group's capital commitments at the end of the reporting period are as follows:

| | | 2016 | 2015 |
|--|----------------------|-----------------|----------|
| | | 二零一六年 | 二零一五年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Property, plant and equipment Contracted but not provided for | 已訂約但未撥備的物業、 機器及設備 | 2,960 | 3,102 |

36. Lease Commitments

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

| | | 2016 | 2015 |
|--|---------------|-----------------|----------|
| | | 二零一六年 | 二零一五年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Within one year | 一年內 | 897 | 1,445 |
| In the second to fifth years inclusive | 第二至五年(包括首尾兩年) | - | 857 |
| | | 897 | 2,302 |

Operating lease payments mainly represent rentals payable by the Group for its office and certain warehouses. Leases are negotiated for an average term of two years and rentals are fixed over the lease terms and do not include contingent rentals.

35. 資本承擔

本集團於報告期末的資本承擔如下：

36. 租賃承擔

於報告期末，不可撤銷經營租賃下應付未來最低租賃付款總額如下：

經營租賃付款主要指本集團就辦公室及若干倉庫應付的租金。租約經商議後平均為期兩年，租金於租期內固定且並不包括或然租金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2016
截至二零一六年三月三十一日止年度

37. Related Party Transactions

- (a) In addition to those related party transactions and balances disclosed elsewhere to the consolidated financial statements, the Group had the following transactions with its related parties during the year:

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Rental income received from a related company | 收取自一家關聯公司的租金收入 | 48 | 48 |
| Secondment fees charged by a related company | 一家關聯公司收取的借調費 | 608 | 3,529 |
| Rental expenses charged by a related company | 一家關聯公司收取的租金開支 | 1,285 | 1,173 |
| Management fees charged by a related company | 一家關聯公司收取的管理費 | - | 142 |

Mr. Yeung Sau Ming Boris, a director of the Company, has beneficial interest in these related companies.

本公司董事楊秀明先生於該等關聯公司擁有實益權益。

- (b) Compensation of key management personnel of the Group:

- (b) 本集團主要管理人員薪酬：

| | | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Short term employee benefits | 短期僱員福利 | 8,099 | 4,835 |
| Pension scheme contributions | 退休計劃供款 | 95 | 87 |
| Total compensation paid to key management personnel | 向主要管理人員支付的薪酬總額 | 8,194 | 4,922 |

Further details of employees' and directors' emoluments are included in note 13 and note 14 respectively to the consolidated financial statements.

有關僱員及董事酬金的進一步詳情分別載於綜合財務報表附註13及附註14。

FINANCIAL SUMMARY

財務概要

A summary of the results and of the assets and liabilities of the Group for the last four financial years is set out below:

本集團過去四個財政年度的業績及資產及負債概要載列如下：

Results

業績

| | | 2016 | 2015 | 2014 | 2013 |
|--|---------------------|------------------|-----------|-----------|-----------|
| | | 二零一六年 | 二零一五年 | 二零一四年 | 二零一三年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| Revenue | 收益 | 492,649 | 357,313 | 233,608 | 174,673 |
| Cost of sales | 銷售成本 | (415,952) | (286,977) | (187,814) | (152,587) |
| Gross profit | 毛利 | 76,697 | 70,336 | 45,794 | 22,086 |
| Other income | 其他收入 | 3,532 | 749 | 2,043 | 1,904 |
| Administrative expenses | 行政開支 | (28,528) | (14,024) | (10,668) | (9,223) |
| Other operating expenses | 其他經營開支 | - | - | (125) | (353) |
| Profit from operations | 經營所得溢利 | 51,701 | 57,061 | 37,044 | 14,414 |
| Finance costs | 融資成本 | (995) | (778) | (526) | (339) |
| Profit before tax | 除稅前溢利 | 50,706 | 56,283 | 36,518 | 14,075 |
| Income tax expense | 所得稅開支 | (10,403) | (9,702) | (6,329) | (2,471) |
| Profit and total comprehensive income for the year attributable to owners of the Company | 本公司擁有人應佔年內溢利及全面收益總額 | 40,303 | 46,581 | 30,189 | 11,604 |
| Asset and liabilities | 資產及負債 | | | | |
| Total assets | 資產總值 | 336,041 | 264,095 | 164,297 | 85,476 |
| Total liabilities | 負債總額 | (151,988) | (183,548) | (130,331) | (81,699) |
| Net assets | 資產淨值 | 184,053 | 80,547 | 33,966 | 3,777 |
| Equity attributable to equity holders of the Company | 本公司權益持有人應佔權益 | 184,053 | 80,547 | 33,966 | 3,777 |



K. H. GROUP HOLDINGS LIMITED
劍虹集團控股有限公司