



高萌·科技

**KML Technology Group Limited**

**高萌科技集團有限公司**

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

(於開曼群島註冊成立之有限公司)

**Stock Code 股份代號 : 8065**

**Annual Report 年報 2017/18**

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

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This report, in both English and Chinese versions, is available on the Company’s website at [www.kml.com.hk](http://www.kml.com.hk).

## 香港聯合交易所有限公司(「聯交所」) GEM 的特色

GEM 的定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在聯交所上市的公司帶有較高投資風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於GEM上市公司普遍為中小型公司，在GEM買賣的證券可能會較於主板買賣之證券承受較大的市場波動風險，同時無法保證在GEM買賣的證券會有高流通量的市場。

香港交易及結算所有限公司以及聯交所對本報告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告的資料乃遵照聯交所的GEM證券上市規則(「GEM上市規則」)而刊載，旨在提供有關高萌科技集團有限公司(「本公司」)的資料；本公司董事(「董事」)願就本報告共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成份，且並無遺漏任何事項，足以令致本報告或其所載任何陳述產生誤導。

本報告的英文本及中文本已登載於本公司網站 [www.kml.com.hk](http://www.kml.com.hk)。

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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Luk Kam Ming (*Chairman*)  
Mr. Chan Chak Lun Philip (*Chief executive officer*)  
Mr. Luk Kwai Lung  
Mr. Luk Yin Cheung

#### Independent Non-executive Directors

Mr. Lau On Kwok  
Mr. Law Wing Chi Stephen  
Dr. Tse Chi Kong

#### Audit Committee

Mr. Lau On Kwok (*Chairman*)  
Mr. Law Wing Chi Stephen  
Dr. Tse Chi Kong

#### Remuneration Committee

Dr. Tse Chi Kong (*Chairman*)  
Mr. Lau On Kwok  
Mr. Luk Kam Ming

#### Nomination Committee

Mr. Luk Kam Ming (*Chairman*)  
Mr. Law Wing Chi Stephen  
Dr. Tse Chi Kong

#### Risk Management Committee

Mr. Law Wing Chi Stephen (*Chairman*)  
Mr. Chan Chak Lun Philip  
Mr. Lau On Kwok  
Mr. Luk Kwai Lung  
Mr. Luk Yin Cheung

### AUTHORISED REPRESENTATIVES

Mr. Luk Kwai Lung  
Ms. Woo Siu Wai

### COMPANY SECRETARY

Ms. Woo Siu Wai

### COMPLIANCE OFFICER

Mr. Luk Yin Cheung

### AUDITOR

Deloitte Touche Tohmatsu  
*Certified Public Accountants*  
35/F, One Pacific Place  
88 Queensway  
Hong Kong

### 董事會

#### 執行董事

陸鑑明先生 (*主席*)  
陳澤麟先生 (*行政總裁*)  
陸季農先生  
陸彥彰先生

#### 獨立非執行董事

劉安國先生  
羅永志先生  
謝智剛博士

#### 審核委員會

劉安國先生 (*主席*)  
羅永志先生  
謝智剛博士

#### 薪酬委員會

謝智剛博士 (*主席*)  
劉安國先生  
陸鑑明先生

#### 提名委員會

陸鑑明先生 (*主席*)  
羅永志先生  
謝智剛博士

#### 風險管理委員會

羅永志先生 (*主席*)  
陳澤麟先生  
劉安國先生  
陸季農先生  
陸彥彰先生

#### 法定代表

陸季農先生  
胡劭卉女士

#### 公司秘書

胡劭卉女士

#### 合規主任

陸彥彰先生

#### 核數師

德勤•關黃陳方會計師行  
*執業會計師*  
香港  
金鐘道88號  
太古廣場1期35樓

# Corporate Information

## 公司資料

### COMPLIANCE ADVISER

Kingsway Capital Limited  
7th Floor  
Tower One, Lippo Centre  
89 Queensway  
Hong Kong

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

B12, G/F  
Shatin Industrial Centre  
Siu Lek Yuen Road  
Shatin, New Territories  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

### HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited  
HSBC Main Building  
1 Queen's Road Central  
Hong Kong

### COMPANY WEBSITE

[www.kml.com.hk](http://www.kml.com.hk)

### STOCK CODE

8065

### DATE OF LISTING

16 October 2017

### 合規顧問

匯富融資有限公司  
香港  
金鐘道89號  
力寶中心第一座7樓

### 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### 香港總部及主要營業地點

香港  
新界沙田  
小瀝源路  
沙田工業中心  
地下B12室

### 於開曼群島主要股份過戶登記處

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

### 香港股份登記處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

### 主要往來銀行

香港上海滙豐銀行有限公司  
香港  
皇后大道中1號  
滙豐總行大廈

### 公司網站

[www.kml.com.hk](http://www.kml.com.hk)

### 股份代號

8065

### 上市日期

二零一七年十月十六日

# Financial Highlights

## 財務摘要

Revenue of the Group for the year ended 31 March 2018 amounted to approximately Hong Kong dollars (“HK\$”) 194.0 million, representing an increase of approximately HK\$22.9 million or 13.4% as compared with approximately HK\$171.1 million for the year ended 31 March 2017.

Gross profit of the Group for the year ended 31 March 2018 amounted to approximately HK\$56.0 million (2017: approximately HK\$55.5 million).

The net loss of the Group for the year ended 31 March 2018 amounted to approximately HK\$2.1 million (2017: net profit approximately HK\$13.3 million). The net loss of the Group is mainly due to the listing expenses of approximately HK\$15.8 million incurred by the Company during the year.

The board of directors (the “Board”) does not recommend the payment of a final dividend for the year ended 31 March 2018 (2017: Nil).

本集團截至二零一八年三月三十一日止年度的收益約為194.0百萬港元(「港元」)，較截至二零一七年三月三十一日止年度的約171.1百萬港元增加約22.9百萬港元或13.4%。

本集團截至二零一八年三月三十一日止年度的毛利約為56.0百萬港元(二零一七年：約55.5百萬港元)。

本集團截至二零一八年三月三十一日止年度的淨虧損約為2.1百萬港元(二零一七年：純利約13.3百萬港元)。本集團的淨虧損乃主要由於本公司於年內產生上市開支約15.8百萬港元。

董事會(「董事會」)不建議派付截至二零一八年三月三十一日止年度的末期股息(二零一七年：無)。

# Chairman's Statement

## 主席報告

Dear Shareholders,

On behalf of the Board of KML Technology Group Limited (the "Company") and its subsidiaries (collectively the "Group"), I am delighted to present the first annual report of the Company for the year ended 31 March 2018.

The Group has been providing electrical and mechanical ("E&M") engineering solutions and services, with a primary focus on Transportation Mission Critical System Solutions in Hong Kong for over 40 years. On 16 October 2017, the shares of the Company were successfully listed on the GEM of The Hong Kong Stock Exchange (the "Listing").

The Group was founded in 1977 and has gained vast experience in the E&M engineering industry. Our vertically-integrated business model allows us to benefit from going through all stages of a variety of technology savvy solutions and services value chain, as well as enjoy the synergy arising from our coordinated efforts across different business sub-segments. Leveraging on our expertise on conceptual design and fabrication, equipment assembly, installation, system integration, testing and commissioning and maintenance of E&M works, revenue control and ticketing systems, our group is well positioned to become one of the key players in realizing the Smart City Strategy advocated by the HK Government, in particular, the mobile and cashless payment arena. Our Group believes that excelling our experience and expertise will enable our Group's continuous business growth. In the coming year, our Group expects there will be increasing business opportunities from the maintenance service sector in particular in relation to ePayment, ticketing systems and railway signalling.

Besides, our Group has been keeping a close eye on the Government directives in respect of the Guangdong-Hong Kong-Macao Bay Area Development (the "Bay Area") coupled with the imminent openings of the HK-Zhuhai-Macau Bridge and the Express Rail Line connecting HK with the National High Speed Rail Network in Mainland China. Our Group believes the key cooperation areas of the Bay Area including (i) to promote the infrastructure connectivity; (ii) to build a technology and innovation hub of global scale; (iii) to jointly build a quality living circle to provide an ideal place for living, working and travelling; and (iv) to build a cluster of modern industries at strategic locations; will weather an economic climate that will provide immense business opportunities favourable to our Group in the years to come; as a result of (i) promotion of innovation and technology development; and (ii) facilitating and elevating the flow of people, goods, funds and information between Hong Kong and other prominent cities in the Bay Area. Our Group will certainly adopt proactive business strategy to embrace the new challenges ahead when more details are available.

On behalf of the Board, I would like to thank the professional parties involved, customers, working partners and employees for their contribution to our successful Listing. This is an important and remarkable milestone of the Group's development.

**KML Technology Group Limited**

**Luk Kam Ming**

*Chairman and Executive Director*

Hong Kong, 19 June 2018

致各位股東：

本人謹代表高萌科技集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)董事會欣然呈報本集團截至二零一八年三月三十一日止年度的首份年報。

本集團於香港提供機電(「機電」)工程解決方案和服務逾40年，主要專注交通關鍵系統解決方案。於二零一七年十月十六日，本公司股份於香港聯交所GEM成功上市(「上市」)。

本集團於一九七七年成立及於機電工程行業擁有豐富經驗。我們的垂直整合業務模式使我們於各種技術解決方案及服務價值鏈所有階段中受益，以及享有在不同業務分部的協調中產生的協同效應。憑藉我們於概念性設計及裝配、設備裝置、安裝、系統集成、測試及調試及維護機電工程、收費控制及票務系統方面的專長，本集團的定位為，實現香港政府提倡的智慧城市策略的主要推動者，尤其是流動及無現金支付平臺。本集團相信，卓越的經驗及專長使得本集團實現不斷業務增長。在未來一年，本集團預期，保養服務領域尤其是電子支付、票務系統及鐵路信號相關領域的商機將日益增多。

此外，本集團密切留意有關粵港澳大灣區開發(「大灣區」)以及即將通車的港珠澳大橋及連接香港與中國大陸國家高速鐵路網絡的高速鐵路線的政府方針。本集團相信大灣區的關鍵合作領域包括(i)促進基礎設施的互聯性；(ii)建立全球技術及創新中心；(iii)攜手共建優質生活圈以提供生活、工作及出行的理想場所；及(iv)於戰略位置創建現代工業群。這種經濟氣候於未來幾年帶來有利於本集團發展的巨大商機。此乃由於(i)推動創新技術發展；及(ii)香港與大灣區其他著名城市之間人口、貨物、資金及資訊流動加快。於有更多具體細節時，本集團將採取積極的業務策略迎接新挑戰。

本人謹代表董事會，向參與上市的專業人士、客戶、工作夥伴及僱員對我們的成功上市所作出的貢獻致謝。這是本集團發展的重要及顯著里程碑。

**高萌科技集團有限公司**

**陸鑑明**

*主席兼執行董事*

香港，二零一八年六月十九日

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

The Group has been providing E&M engineering solutions and services, with a primary focus on Transportation Mission Critical System Solutions in Hong Kong for over 40 years. We mainly undertake projects that are related to the design, supply, installation, fabrication and/or maintenance of, among others, the following, depending on our customers' needs:

- (i) Automatic fare collection system at railway stations;
- (ii) Electronic payment and ticketing system;
- (iii) Road and tunnel toll collection system;
- (iv) Traffic control and surveillance system; and
- (v) Railway signalling communication and control system.

We also undertake other E&M engineering solutions and services, comprising:

- (i) Security and access control system;
- (ii) Railway station E&M engineering services and architectural works;
- (iii) Rolling stock refurbishment and renovation works; and
- (iv) Trackside and depot E&M engineering works.

Our customers comprise mainly transportation companies and other engineering companies in Hong Kong and Taiwan, and also various governmental departments of the Hong Kong.

### 業務回顧

本集團於香港提供機電工程解決方案和服務逾四十年，主要專注交通關鍵系統解決方案。視乎客戶的需求，我們主要承接下列（其中包括）與設計、供應、安裝、裝配及／或保養有關的項目：

- (i) 鐵路車站的自動收費系統；
- (ii) 電子支付及票務系統；
- (iii) 公路及隧道車輛繳費系統；
- (iv) 交通管制及監察系統；及
- (v) 軌道信號通訊及控制系統。

我們亦承接其他機電工程解決方案及服務，包括：

- (i) 保安及門禁系統；
- (ii) 鐵路車站機電工程服務及建築工程；
- (iii) 軌道車輛翻新及修復工程；及
- (iv) 軌道旁及車廠機電工程。

我們的客戶主要包括香港及台灣公共交通營運公司及其他工程公司，以及香港政府不同部門。

# Management Discussion and Analysis

## 管理層討論及分析

With technical knowledge in the areas of electrical, mechanical and electronic engineering, and a strong focus on product design and research and development, and through our vertically-integrated business model that combines design and fabrication, equipment assembly and system implementation, we are an E&M engineering solutions and services provider in Hong Kong who is capable of independently providing a full suite of custom-built products and services. We provide services and technical support to our customers on system solutions, equipment assembly and installation, network optimization, inspection and testing. We possess technologies and know-how in the Hong Kong Transportation Mission Critical System Solution market and have strong system integration capabilities. Our comprehensive offerings enable us to provide our customers with a complete and convenient one-stop solution, which reduces their operation and management costs and mitigates the incompatibility risks of different E&M engineering systems. In turn, our vertically-integrated business model enhances our ability to customize our products and services to address customers' needs and become more competitive in bidding for new projects. In addition, our business model also promotes the synergies among our individual products and services, reduces our marketing costs and lays a solid foundation for us to develop our maintenance services after our systems and equipment are put into operation. During the year ended 31 March 2018, our Group has undertaken over 200 projects. Some of the major projects include:

- (i) Design, supply and installation of the "Stop-and-go" electronic payment system which allows motorists to use contactless smart cards and credit cards as alternative payment methods at tolled tunnels and bridges owned by the Hong Kong Government;
- (ii) Refurbishment of KTT trains including (a) replacement of passenger seat assembly components; (b) replacement of carpets in the train compartments with floor mats; (c) replacement of pipework; and (d) upgrade of toiletry facilities components;
- (iii) Provision and installation of turnstile systems including upgrade of payment systems at various ferry piers in Hong Kong;
- (iv) Installation and testing of railway signalling system for the high speed rail including cabling and site acceptance test for signalling equipment room and trackside field equipment; and
- (v) Installation and testing of railway signalling system for the Shatin-Central-Link.

憑藉電氣、機械及電子工程方面的技術知識、集中於產品設計及研發及透過我們的垂直整合業務模式結合設計及裝配、設備裝置及系統實施，我們為香港機電工程解決方案及服務供應商，可獨立提供全套定制產品及服務。我們向客戶提供有關系統解決方案、設備裝置及安裝、網絡優化、檢驗及測試的服務及支援。我們具備香港交通關鍵系統解決方案市場上的技術及專業知識及擁有強大的系統集成能力，使我們能夠向客戶提供完整便利的一站式解決方案，縮減營運及管理成本及減低不同機電工程系統的不兼容風險。相應地，我們的垂直整合業務模式能夠提高我們定制產品及服務的能力以應對客戶的需求，從而於競投新項目時更具競爭力。此外，我們的業務模式亦促進個別產品及服務之間的協同效應，削減營銷成本，並為我們在系統及設備投入營運後發展保養服務奠定堅實基礎。於截至二零一八年三月三十一日止年度，本集團已承接超過200個項目。若干主要項目包括：

- (i) 設計、供應及安裝「停車拍卡」電子支付系統，駕駛者可於香港政府擁有的收費隧道及橋樑透過非接觸式智能卡及信用卡付費。
- (ii) 九廣通列車翻新包括(a)替換乘客座椅及配件；(b)用地墊替換列車車廂內的地毯；(c)替換壓縮氣管道；及(d)提升洗手間設施部件；
- (iii) 在香港不同渡輪碼頭提供及安裝入閘機系統(包括更新付款系統)；
- (iv) 為高速鐵路安裝及測試鐵路信號系統包括為信號設備室及軌道旁路面設備進行佈線及實地驗收測試；及
- (v) 為沙中線安裝及測試鐵路信號系統。

# Management Discussion and Analysis

## 管理層討論及分析

Revenue of the Group for the year ended 31 March 2018 amounted to approximately HK\$194.0 million (2017: approximately HK\$171.1 million) while gross profit of the Group for the year ended 31 March 2018 amounted to approximately HK\$56.0 million (2017: approximately HK\$55.5 million)

The net loss after tax of the Group for the year ended 31 March 2018 amounted to approximately HK\$2.1 million (2017: net profit after tax of approximately HK\$13.3 million). The reason for turning from profit to loss is mainly due to the listing expenses of approximately HK\$15.8 million incurred by the Company during the year. Should this non-recurring listing expenses be excluded, the net profit before tax of the Group for the year ended 31 March 2018 would amount to approximately HK\$16.6 million.

### OUTLOOK

#### Modernisation and Upgrading of Transportation System

To keep pace with the growing transport needs, modernization, upgrading and expansion projects are being launched. It is expected that there will be increasing opportunities for the Transportation Mission Critical System Solutions market in the coming years mainly from projects in relation to (i) railway signaling communication and control system relating to the expansion of Hong Kong International Airport into a Three Runway system; (ii) road and tunnel toll collection system replacement or upgrade at various government tunnels; (iii) automatic fare collection system upgrade in Taiwan railway and metro; and (iv) upgrade of the electrical system, air-conditioning system and fire services system in the Hong Kong metro.

#### Vision of Smart City

To foster the knowledge economy, enhance quality of life and create a vibrant eco-system by using information technology and promoting more effective resource management, the development of a smart city is the vision of the Hong Kong society. Application of Internet of Things (IoT) at the Group's future products and services aims to tie in this trend. The technology will also enhance the reliability and maintainability of the Group's products and services.

Given our Group's extensive experience in automatic fare collection system and toll collection, the Group will devote more resources in the application and integration of different technologies such as quick response code ("QR Code") and different emerging payment methods to our products and services in response to the evolving market conditions as well as changing customers' requirements. Our Group believes our city embracing mobile payment technology will bring benefits to the government, economy and individuals in the long run.

本集團截至二零一八年三月三十一日止年度的收益約為194.0百萬港元(二零一七年:約171.1百萬港元),而本集團截至二零一八年三月三十一日止年度的毛利約為56.0百萬港元(二零一七年:約55.5百萬港元)。

本集團截至二零一八年三月三十一日止年度的除稅後淨虧損約為2.1百萬港元(二零一七年:除稅後純利約13.3百萬港元)。轉盈為虧的主要原因乃本公司於期內產生上市開支約15.8百萬港元。倘剔除是項非經常性上市開支,本集團截至二零一八年三月三十一日止年度的除稅前純利將約為16.6百萬港元。

### 前景

#### 交通系統現代化及升級

為了緊貼不斷增長的交通需求,正推出現代化、升級及擴張項目。預期未來幾年在交通關鍵系統解決方案市場將會出現越來越多的機會,機會主要來自有關(i)與香港國際機場擴充至三跑道相關的軌道信號通訊及控制系統;(ii)多條政府隧道的公路及隧道車輛繳費系統替換或升級;(iii)台灣鐵路及捷運的自動收費系統升級的項目;及(iv)香港鐵路的電力、冷氣及消防各系統的更新。

#### 智慧城市的願景

香港社會的願景是發展智慧城市,透過使用信息技術及推進高效資源管理發展知識經濟,提高生活質量及創造一個朝氣蓬勃的生態系統。本集團未來產品及服務的物聯網應用旨在配合此趨勢。該技術亦將提高本集團產品及服務的可靠性及可維護性。

鑒於本集團於自動收費系統及繳費系統的豐富經驗,本集團將投入更多資源,將不同的技術(如二維碼(「二維碼」))及不同的新興付款方式應用及集成於我們的產品及服務,以應對不斷變化的市場環境及客戶需求。本集團相信我們的城市應用流動支付技術將為政府、經濟及個人帶來長遠利益。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Revenue

The Group's revenue increased from approximately HK\$171.1 million for the year ended 31 March 2017 to approximately HK\$194.0 million for the year ended 31 March 2018, representing a growth of approximately 13.4%. Such increase was mainly contributed by the contracts awarded during the years ended 31 March 2016 and 2017 which have substantial work completed during the year ended 31 March 2018.

#### Cost of Sales and Gross Profit

The majority of the Group's cost of sales comprised (i) material and equipment; (ii) direct labour; and (iii) sub-contracting cost. The cost of sales increased by approximately 19.4% from approximately HK\$115.6 million for the year ended 31 March 2017 to approximately HK\$138.0 million for the year ended 31 March 2018. The gross profit of the Group increased by approximately 0.8% from approximately HK\$55.5 million for the year ended 31 March 2017 to approximately HK\$56.0 million for the year ended 31 March 2018.

#### Administrative Expenses

The Group's administrative expenses increased by approximately 2.3% from approximately HK\$39.2 million for the year ended 31 March 2017 to approximately HK\$40.1 million for the year ended 31 March 2018, which is mainly due to the maintenance cost relating to the listed entity.

#### (Loss) profit attributable to the owners of the Company

The Group recorded a loss attributable to the owners of the Company of approximately HK\$2.1 million for the year ended 31 March 2018 (2017: profit approximately HK\$13.3 million). The result turning from profit to loss is mainly due to the Company's incurrence of the listing expenses of approximately HK\$15.8 million for the year ended 31 March 2018.

### 財務回顧

#### 收益

本集團收益由截至二零一七年三月三十一日止年度約171.1百萬港元增加至截至二零一八年三月三十一日止年度約194.0百萬港元，增加約13.4%。有關增加主要由於於截至二零一六年及二零一七年三月三十一日止年度所獲授的合約於截至二零一八年三月三十一日止年度完成大部份工程。

#### 銷售成本及毛利

本集團的銷售成本主要包括(i)物料及設備；(ii)直接勞工；及(iii)分包成本。銷售成本由截至二零一七年三月三十一日止年度約115.6百萬港元增加約19.4%至截至二零一八年三月三十一日止年度約138.0百萬港元。本集團毛利由截至二零一七年三月三十一日止年度約55.5百萬港元增加約0.8%至截至二零一八年三月三十一日止年度約56.0百萬港元。

#### 行政開支

本集團行政開支由截至二零一七年三月三十一日止年度約39.2百萬港元增加約2.3%至截至二零一八年三月三十一日止年度約40.1百萬港元，增加乃主要由於有關維持上市實體的成本。

#### 本公司擁有人應佔(虧損)溢利

截至二零一八年三月三十一日止年度，本集團錄得本公司擁有人應佔虧損約2.1百萬港元(二零一七年：溢利約13.3百萬港元)。業績由盈轉虧乃主要由於本公司於截至二零一八年三月三十一日止年度產生上市開支約15.8百萬港元。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL POSITION

#### Liquidity, Financial Resources and Capital Structure

Historically, the Company has met the liquidity and capital requirements primarily through operating cash flows and capital contribution from its shareholders.

The Company requires cash primarily for working capital needs. As at 31 March 2018, the Company had approximately HK\$60.2 million in (i) bank balances and cash; and (ii) time deposits with original maturity over three months (2017: approximately HK\$58.6 million), representing an increase of approximately HK\$1.6 million as compared to that as at 31 March 2017.

On 16 October 2017 (the "Listing Date"), the ordinary shares of the Company (the "Shares") were listed on GEM by way of share offer (the "Share Offer") and completed the Share Offer of its 100,000,000 Shares, comprising 50,000,000 Shares offered by the Company for subscription and 50,000,000 Shares offered by the Company for placing, with a par value of HK\$0.01 each at offer price of HK\$0.6 per Share for the net proceeds of approximately HK\$36.0 million. The Company believed that the funding from the Share Offer on the GEM would allow the Group to access the capital market for raising funds in the future. There has been no change on the capital structure of the Group since the Listing Date and up to the date of this report (i.e. 19 June 2018) (the "Date of this Report"). The capital of the Company only comprises of ordinary shares.

#### Capital Expenditure

The Group purchased property, plant and equipment amounting to approximately HK\$1.9 million for the year ended 31 March 2018 which comprised acquisition of furniture, fixtures and office equipment (2017: approximately HK\$1.6 million).

#### Final Dividend

The Board does not recommend the payment of a final dividend for the year ended 31 March 2018 (2017: Nil).

#### Employees and Remuneration Policies

As at 31 March 2018, the Group employed 212 employees (2017: 216 employees). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. On top of basic salaries, bonus may be paid with reference to the Group's performance as well as individual's performance. Other staff benefits include provision of retirement benefits, medical benefits and life insurance benefits. Share options may also be granted to eligible employees by reference to the Group's performance as well as the individual contribution.

### 財務狀況

#### 流動資金、財務資源及資本架構

過往，本公司主要透過經營現金流量及股東注資滿足其流動資金及資本需求。

本公司主要需要現金應付營運資金需要。於二零一八年三月三十一日，本公司有(i)銀行結餘及現金；及(ii)原到期日超過三個月的定期存款合共約60.2百萬港元(二零一七年：約58.6百萬港元)，較二零一七年三月三十一日增加約1.6百萬港元。

於二零一七年十月十六日(「上市日期」)，本公司普通股(「股份」)透過股份發售(「股份發售」)方式於GEM上市，並完成100,000,000股股份發售，當中50,000,000股股份由本公司提呈認購，50,000,000股股份由本公司提呈配售，每股面值為0.01港元，每股股份發售價為0.6港元，以換取所得款項淨額約36.0百萬港元。本公司相信來自GEM股份發售的資金可讓本集團於未來在資本市場集資。自上市日期起及直至本報告日期(即二零一八年六月十九日)(「本報告日期」)，本集團資本架構並無任何變動。本公司資本僅包括普通股。

#### 資本開支

於截至二零一八年三月三十一日止年度，本公司購買金額約1.9百萬港元的物業、廠房及設備，當中包括購買傢俱、裝置及辦公室設備(二零一七年：約1.6百萬港元)。

#### 末期股息

董事會不建議宣派截至二零一八年三月三十一日止年度的末期股息(二零一七年：無)。

#### 僱員及薪酬政策

於二零一八年三月三十一日，本公司有212名僱員(二零一七年：216名僱員)。本公司的薪酬政策與當前市場慣例一致，並根據個別僱員的表現、資格及經驗而釐定。除基本薪金外，經參考本集團的表現及個人的表現後，或會派發花紅。其他員工福利包括提供退休福利、醫療福利及人壽保險福利。經參考本集團表現及個人貢獻後，亦或會向合資格僱員授出購股權。

# Management Discussion and Analysis

## 管理層討論及分析

### Comparison of Business Objectives with Actual Business Progress

An analysis comparing the business objectives as set out in the Company's prospectus dated 29 September 2017 (the "Prospectus") with the Group's actual business progress for the period from the Listing Date to 31 March 2018 is set out below:

Business strategy	Actual business progress up to 31 March 2018
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Expand and enhance our E&M engineering technical capabilities by:	The Group has purchased several fibre cable testing related equipment.
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- |  |   |
|--|---|
| (i) Increasing our productivity through the purchase of new machineries and equipment; | The Group has enhanced our insurance coverage and employee remuneration packages, including (i) upgrading of employees' medical insurance plan; (ii) purchasing of the Group's professional indemnity insurance plan; (iii) purchasing of the Group's product liability insurance plan; and (iv) providing funds for the employees' performance bonus scheme. |
| (ii) Improving our material handling and field service capacity;                       |   |
| (iii) Purchasing and implementing information technology solutions; and                |   |
| (iv) Retaining our talents and enhancing the risk mitigation measures.                 | The Group is in the process of identifying potential material handling and storage facilities.  |

Deepen our penetration of the E&M engineering industry with special focus on the Transportation Mission Critical System Solutions market by strengthening our research and development capabilities and increasing our brand awareness through marketing efforts through:	The Group has (i) arranged our employees to participate in exhibitions, conference and symposiums; and (ii) been making an effort to increase business exposure in Taiwan.
	The Group is in the process of (i) recruiting additional research and development staff; and (ii) approaching suppliers offering human face recognition software.

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|--|--|
| (i) Expanding our office space and work area;                    |  |
| (ii) Increasing our marketing efforts and business exposure; and |  |
| (iii) Enhancement of our research and development capabilities.  |  |

Strengthen our financial capabilities to undertake larger-scale E&M engineering projects in the future.	The Group has strengthened our financial capabilities to undertake large-scale E&M engineering projects through the provision of performance guarantees.
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### 業務目標與實際業務進展之比較

載於本公司日期為二零一七年九月二十九日的招股章程(「招股章程」)之業務目標與本集團由上市日期至二零一八年三月三十一日止期間之實際業務進展之比較分析如下：

業務策略	截至二零一八年三月三十一日止的實際業務進展
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透過以下方式擴大及提高我們的機電工程技術能力：	本集團已採購若干光纖電纜測試相關設備。
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- |                         |  |
|-------------------------|--|
| (i) 通過採購新機器及設備增加我們的生產力； | 本集團已擴大保險覆蓋範圍及提高僱員薪酬待遇，包括(i)升級僱員醫療保險計劃；(ii)投購本集團的專業責任保險計劃；(iii)投購本集團的產品責任保險計劃，及(iv)為僱員績效獎金計劃提供資金。 |
| (ii) 提高我們的物料處理及現場施工能力；  |  |
| (iii) 採購及執行資訊科技解決方案；及   |  |
| (iv) 挽留人才及加強風險緩減措施。     | 本集團正在識別物料處理及儲存設施。  |

通過增強我們的研發能力加深對機電工程行業的滲透率(特別專注於交通關鍵系統解決方案市場)及通過營銷手段提高我們的品牌認知度，方式為：	本集團已(i)安排僱員參與展覽會、會議及研討會；及(ii)盡力擴展台灣的業務。
	本集團正在(i)招聘額外研發人員；及(ii)與提供人臉識別軟件的供應商洽談。

- |                          |  |
|--------------------------|--|
| (i) 擴大辦公室及工作空間；          |  |
| (ii) 加大我們的營銷效能及推廣我們的業務；及 |  |
| (iii) 提高我們的研發能力。         |  |

增強我們日後承接較大型機電工程項目的財政實力。	本集團透過提供履約保證已增強我們承接大型機電工程項目的財政實力。
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# Management Discussion and Analysis

## 管理層討論及分析

### Use of Proceeds from the Listing

On 16 October 2017, the Shares were listed on GEM by way of Share Offer. The Group intends to apply the proceeds from the Listing in accordance with the proposed applications set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As set out in the Prospectus, the business objectives and strategies of the Group are: (i) expand and enhance our E&M engineering technical capability; (ii) deepen our penetration of the Hong Kong E&M engineering industry with special focus on the Transportation Mission Critical System Solutions market by strengthening our research and development capabilities and increasing our brand awareness through marketing efforts; and (iii) strengthen the Group's financial capabilities to undertake larger-scale E&M engineering projects in the future.

After deduction of all related listing expense and commissions, the net proceeds from Listing amounted to approximately HK\$36.0 million. Up to 31 March 2018, the Group has utilized HK\$5.4 million of the net proceeds from Listing as follows:

### 上市所得款項用途

於二零一七年十月十六日，股份以股份發售方式在GEM上市。本集團擬將上市所得款項按招股章程內「未來計劃及所得款項用途」一節所載的擬定用途使用。

誠如招股章程所載，本集團的業務目標及策略為(i)擴大及提高我們的機電工程技術能力；(ii)通過增強我們的研發能力及透過營銷手段提高我們的品牌認知度加深對香港機電工程行業(特別專注於交通關鍵系統解決方案市場)的滲透率；及(iii)增強本集團日後承接較大型機電工程項目的財政能力。

經扣除所有相關上市開支及佣金後，上市所得款項淨額約為36.0百萬港元。直至二零一八年三月三十一日，本集團已動用上市所得款項淨額5.4百萬港元如下：

		<b>Planned use of net proceeds as stated in the Prospectus up to 31 March 2018 直至二零一八年 三月三十一日 招股章程所載 所得款項淨額 的計劃用途 HK\$'000 千港元</b>	<b>Actual use of net proceeds up to 31 March 2018 直至二零一八年 三月三十一日 所得款項淨額 的實際用途 HK\$'000 千港元</b>
Expand and enhance our E&M engineering technical capabilities	擴大及提高我們的機電工程技術能力	<b>5,444</b>	<b>418</b>
Deepen our penetration of the Hong Kong E&M engineering industry with special focus on the Transportation Mission Critical System Solutions market by strengthening our research and development capabilities and increasing our brand awareness through marketing efforts	通過增強我們的研發能力及透過營銷手段提高我們的品牌認知度加深對香港機電工程行業(特別專注於交通關鍵系統解決方案市場)的滲透率	<b>1,400</b>	<b>27</b>
Strengthen our financial capabilities to undertake larger-scale E&M engineering projects in the future	增強本集團日後承接較大型機電工程項目的財政實力	<b>5,000</b>	<b>5,000</b>
Total	合共	<b>11,844</b>	<b>5,445</b>

# Management Discussion and Analysis

## 管理層討論及分析

### GEARING RATIO

The ratio was not applicable for the year ended 31 March 2018 as no borrowing was incurred (2017: not applicable).

### FOREIGN EXCHANGE EXPOSURE

We conducted business with customers, suppliers and subcontractors located in Hong Kong, the People's Republic of China (the "PRC") and overseas. The Group's exposure to the currency risk mainly arises from the fluctuation of Renminbi ("RMB"), Euro ("EUR"), New Taiwan Dollar ("NTD") or United States dollars ("USD"). The Group currently does not have any hedging policy in place for its foreign currency exposure. The management will consider hedging significant currency exposure should the need arise.

### TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 31 March 2018. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

### SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not hold any significant investments in equity interest in any other companies as at 31 March 2018. Except for those included in the section headed "Future Plans and Use of Proceeds" for inclusion in the Prospectus, the Group had no definite future plans for material investments and capital assets.

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

Apart from the reorganisation in relation to the Listing as disclosed in the Prospectus, there were no other significant investments held, material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 March 2018.

### PLEDGES OF ASSETS

As at 31 March 2018, the Group has a pledged bank deposit at HK\$5.0 million (2017: Nil).

### COMMITMENTS

The operating lease commitments of the Group were primarily related to the leases of its office premises and the workshops. The Group's future operating lease commitments amounted to approximately HK\$10.2 million as at 31 March 2018 (2017: approximately HK\$6.2 million).

### 資產負債比率

截至二零一八年三月三十一日止年度並不適用該比率，因並無產生借貸(二零一七年：不適用)。

### 外匯風險

我們與香港、中華人民共和國(「中國」)及海外客戶、供應商及分包商均有業務往來。本集團所面臨的貨幣風險主要來自人民幣(「人民幣」)、歐元(「歐元」)、新台幣(「新台幣」)或美元(「美元」)的波動。目前本集團並無進行任何對沖政策以應對外幣風險。如有需要，管理層將考慮對沖重大外幣風險。

### 庫務政策

本集團的庫務政策採納穩健的財務管理方針，因此，於截至二零一八年三月三十一日止年度，流動資金狀況均處於健康水平。本集團致力透過持續進行信貸評估及評估客戶的財務狀況，降低所承受的信貸風險。為管理流動資金風險，董事會密切監察本集團的流動資金狀況，確保本集團資產、負債及其他承擔組成的流動資金架構能應付不時的資金需要。

### 重大投資與重大投資及資本資產的未來計劃

於二零一八年三月三十一日，本集團並無於任何其他公司的股本權益持有任何重大投資。除招股章程內「未來計劃及所得款項用途」一節所載者外，本集團並無有關重大投資及資本資產的明確未來計劃。

### 附屬公司、聯營公司或合營公司的重大收購及出售

除招股章程所披露就上市所進行的重組外，於截至二零一八年三月三十一日止年度並無持有其他重大投資，亦並無有關附屬公司、聯營公司或合營公司的重大收購或出售。

### 資產抵押

於二零一八年三月三十一日，本集團擁有已抵押銀行存款5.0百萬港元(二零一七年：無)。

### 承擔

本集團的經營租賃承擔主要與出租辦公室物業及工場有關。於二零一八年三月三十一日，本集團未來的經營租賃承擔約為10.2百萬港元(二零一七年：約6.2百萬港元)。

# Management Discussion and Analysis

## 管理層討論及分析

### CONTINGENT LIABILITIES

As at 31 March 2018, the Group did not have any significant contingent liabilities (2017: Nil).

### PRINCIPAL RISKS AND UNCERTAINTIES

For the year ended 31 March 2018, the following principal risks of the Group were identified:

- (i) we depend on a limited number of customers for a significant part of our businesses, and the loss of our major customers could adversely affect our businesses and financial position;
- (ii) Personal injuries, property damages or fatal accidents may occur at our work sites which may materially and adversely affect our business operations as well as financial position;
- (iii) Majority of our Group's revenue is derived from E&M engineering solutions and services, which are non-recurrent in nature. It is difficult to accurately forecast our future performance;
- (iv) If we fail to meet the requirements of our contracts or quality standards of our services, we may face litigation, be required to pay damages and additional costs which may adversely affect our business and reputation; and
- (v) Our success and business operations rely on certain key personnel and our ability to attract and retain talented staff. If we are unable to retain them, our business may be severely disrupted and our operations, financial results and future prospects may be adversely affected.

For other risks facing the Group, please refer to the section headed "Risk Factors" in the Prospectus.

### Our Risk Control Mechanism

Our Group has adopted a three-tier risk management approach to identify, assess, mitigate and handle risks. At the first line of defence, operating units are responsible for identifying and monitoring risks associated with each business. The management, as the second line of defence, defines rules and models, provides technical support, develops new systems and oversees portfolio management. It ensures that risks are within acceptable range and that the first line of defence is effective. As the final line of defence, the risk management committee of the Company (the "Risk Management Committee"), with the professional and independent advice from the internal audit function ensures the first and second line of defence are effective through constant inspection and monitoring.

The Group maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Risk Management Committee and management with a profile of its major risks and records management's action taken to mitigate the relevant risks. The risk register will be reviewed and monitored at least annually. The review process ensures that the Group proactively manages the risks faced by it.

### 或然負債

於二零一八年三月三十一日，本集團並無任何重大或然負債（二零一七年：無）。

### 主要風險及不確定性

截至二零一八年三月三十一日止年度，本集團已識別下列主要風險：

- (i) 我們依賴有限數目客戶取得大部份業務，及流失主要客戶可能對我們的業務及財務狀況產生不利影響；
- (ii) 我們的工地或會發生人身傷害、財產受損或死亡事故，這可能對我們的業務營運及財務狀況產生不利影響；
- (iii) 本集團大部分收益產生自機電工程解決方案及服務，其屬非經常性質，故難以精確預測我們的未來表現；
- (iv) 倘我們無法履行合約規定或達到服務質量標準，我們或會面臨起訴，須支付賠償及額外成本，其或會對我們的業務及聲譽造成不利影響；及
- (v) 我們的成功及業務運營依賴若干主要人員及我們吸引及挽留優秀員工的能力。倘我們無法挽留彼等，則我們的業務或會嚴重中斷及我們的經營、財務業績及未來前景將受到不利影響。

有關本集團面臨的其他風險，請參閱招股章程中「風險因素」一節。

### 風險控制機制

本集團已採納三層風險管理模式以識別、評估及降低及應對風險。在第一道防線，營運組別負責識別及監察與各項業務相關的風險。管理層（作為第二道防線）界定規則及模式、提供技術支援、開發新系統及監督投資組合管理。其確保風險處於可接受範圍內及第一道防線為有效。作為最後一道防線，本公司的風險管理委員會（「風險管理委員會」），加上來自內部審計職能的專業及獨立意見，透過不斷視察及監控而確保第一道及第二道防線有效。

本集團設立風險登記冊以跟踪本集團所有已識別主要風險。風險登記冊為董事會、風險管理委員會及管理層提供其主要風險情況，並記錄管理層為降低相關風險所採取的行動。每年至少檢討及監察風險管理冊一次。此檢討程序可確保本集團主動管理其所面臨的風險。

# Directors and Senior Management

## 董事及高級管理層

### EXECUTIVE DIRECTORS

**Mr. Luk Kam Ming** (陸鑑明), aged 71, is an Executive Director and the chairman of our Board. Mr. KM Luk founded our Group and joined us when he was appointed as a director of KML Engineering Limited ("KML Engineering") in August 1977. Mr. Luk is responsible for overall strategic planning and development of our Group, and oversees the financial management and planning of our Group. He is also the chairman of the Nomination Committee, and a member of the Remuneration Committee.

Mr. KM Luk has more than 50 years of experience in the E&M engineering industry, with a focus on the development of automatic fare collection and railway transportation control systems. In August 1977, Mr. Luk founded KML Engineering, the principal subsidiary of our Group as a contractor for providing services in the fields of electrical power engineering, signalling and communication engineering, and computer-based toll collection systems, etc.

Mr. KM Luk obtained an ordinary certificate in electrical engineering in June 1965 and an ordinary certificate in mechanical engineering in June 1966 from City Guilds of London Institute, the United Kingdom. He also obtained a higher national certificate of electrical and electronic engineering awarded by The Institution of Electrical Engineers (currently known as the Institution of Engineering and Technology) and the Institution of Electronic and Radio Engineers in conjunction with the Scottish Education Department in August 1967, and a certificate of a one-year full-time course in electrical engineering from Paisley College of Technology, the United Kingdom, in October 1968. In July 1996, he obtained a continuing education certificate in occupational safety and health from the City University of Hong Kong, Hong Kong. He completed a diploma course in marketing and international business in November 1995 and a diploma course in management communication in February 1998 from the Chinese University of Hong Kong, Hong Kong. He was awarded the Professional Diploma in Corporate Governance & Directorship jointly by the Hong Kong Institution of Directors and Hong Kong Productivity Council in September 2003.

Mr. KM Luk was registered as a Chartered Engineer (CEng) by The Institution of Electronic and Radio Engineers, the United Kingdom, in November 1973, and a Chartered Engineer by the Council of Engineering Institutions, the United Kingdom, in December 1974. He was admitted a member and registered as a Chartered Electrical Engineer by The Institution of Electrical Engineers (currently known as the Institution of Engineering and Technology), the United Kingdom, in June 1974 and registered as a Chartered Engineer by the Council of Engineering institutions, the United Kingdom, in December 1974. He was also admitted as a member of the Hong Kong Institution of Electrical Engineers in July 1975, a member of Institution of Railway Signal Engineers in December 1988, and a member of Hong Kong Association of Energy Engineers in 2009. He was nominated as the Country Vice President of Institution of Railway Signal Engineers for Hong Kong, China in March 2011.

Mr. KM Luk is the father of Mr. Luk Kwai Lung ("Mr. KL Luk") and Mr. Luk Yin Cheung ("Mr. YC Luk"), both our Executive Directors. Mr. KM Luk is also the spouse of Ms. Leung Kwok Yee ("Madam Leung"), our Controlling Shareholder, and the father-in-law of Ms. Woo Siu Wai, our company secretary.

### 執行董事

**陸鑑明先生**，71歲，執行董事及董事會主席。陸鑑明先生於一九七七年八月創辦並加入本集團，獲委任為高明科技工程有限公司（「高明科技工程」）的董事。陸先生負責本集團的整體策略規劃及發展以及監督本集團的財務管理及規劃。彼亦為提名委員會主席及薪酬委員會成員。

陸鑑明先生於機電工程行業擁有逾50年的經驗，專注於開發自動收費系統及鐵路交通監控系統。於一九七七年八月，陸鑑明先生創辦高明科技工程（本集團的主要附屬公司），作為於電力工程、信號及通訊工程以及電腦收費系統等領域提供服務的承辦商。

陸鑑明先生於一九六五年六月及一九六六年六月分別取得英國倫敦城市行業協會電機工程初級證書以及機械工程初級證書。彼亦於一九六七年八月取得電氣工程師協會（現稱為工程技術學會）及電子及無線電工程師學會連同蘇格蘭教育部頒發的電子及電機工程高級證書，及於一九六八年十月獲得英國佩斯利技術學院電機工程一年全日制課程證書。於一九九六年七月，彼於香港城市大學取得職業安全健康持續教育證書。彼於一九九五年十一月及一九九八年二月分別完成香港中文大學營銷及國際商業文憑課程以及管理通訊文憑課程。彼於二零零三年九月獲香港董事學會及香港生產力促進局聯合頒授的企業管治及董事專業文憑。

陸鑑明先生於一九七三年十一月於英國電子及無線工程師協會註冊為特許工程師及於一九七四年十二月於英國工程師協會註冊為特許工程師。彼於一九七四年六月獲英國電氣工程師協會（現稱為英國工程技術學會）認可為會員及註冊為特許電機工程師及於一九七四年十二月於英國工程師學會委員會註冊為特許工程師。彼於一九七五年七月亦獲認可為香港電氣工程師學會會員，於一九八八年十二月為鐵路信號工程師協會會員及於二零零九年為香港能源工程師協會會員。於二零一一年三月，彼獲提名為鐵路信號工程師協會副會長（中國香港）。

陸鑑明先生為兩名執行董事陸季農先生（「陸季農先生」）及陸彥彰先生（「陸彥彰先生」）的父親。陸鑑明先生亦為本公司控股股東梁幗儀女士（「梁女士」）的配偶，及本公司的公司秘書胡劭卉女士的家翁。

# Directors and Senior Management

## 董事及高級管理層

**Mr. Chan Chak Lun Philip (陳澤麟)**, aged 56, is an Executive Director and our chief executive officer. Mr. Chan is responsible for overseeing the daily operations and overall general management of our Group. Mr. Chan is also a member of the Risk Management Committee.

Mr. Chan has more than 30 years of experience in E&M engineering, specialised in designing and developing automatic fare collection and railway transportation control systems. Prior to joining our Group, Mr. Chan was worked s in United Dockyards from July 1981 to September 1984 and in G.E.C (Hong Kong) Limited from November 1984 to August 1985. He joined KML Engineering in October 1987 as a mechanical engineer and was subsequently promoted to manager of mechanical division in January 1991 and general manager of advanced products department in May 2002. He became the operation director of KML Engineering from October 2009 to March 2017 and has been the managing director since April 2017. He has been a member of The Hong Kong Institute of Directors in April 2018.

Mr. Chan has been a director of KML Engineering since June 1991. He is a technical director and one of the authorised signatories appointed by KML Engineering for its qualification as a Registered Minor Works Contractor for Type A and Type C of Class II & III under the Buildings Ordinance since September 2011.

Mr. Chan obtained a degree of Bachelor of Engineering with first class honours in mechanical engineering from the University of Newcastle, the United Kingdom, in July 1987, and a degree of Master of Science in Engineering from The University of Hong Kong, Hong Kong, in November 1993.

Mr. Chan was admitted as graduate of the Hong Kong Institution of Engineers in March 1988, and a member of The Institution of Electrical Engineers (currently known as the Institution of Engineering and Technology), the United Kingdom, and registered as a Chartered Engineer (CEng) by the Engineering Council (UK) in April 2003. He was elected as a member of the Institution of Mechanical Engineers, the United Kingdom, in October 2016. He has been a member of The Hong Kong Institute of Directors in April 2018.

**Mr. Luk Kwai Lung (陸季農)**, aged 41, is an Executive Director. Mr. KL Luk is responsible for overseeing the business development and marketing of our Group. Mr. KL Luk has been a director of KML Technology Limited (“KML Technology”) and KML Engineering since February 2012 and November 2015 respectively. Mr. KL Luk is one of the authorised signatories appointed by KML Engineering for its qualification as a Registered Minor Works for Type A of Class II & III under the Buildings Ordinance since September 2011. Mr. KL Luk is also a member of the Risk Management Committee.

Mr. KL Luk joined our Group in January 2003 and developed comprehensive experiences in process management in various departments in KML Engineering. He was promoted to installation manager in April 2015 and deputy managing director in December 2015. Mr. KL Luk also acted as the project manager for various projects undertaken by our Group in the past eight years.

陳澤麟先生，56歲，為執行董事及行政總裁。陳先生負責監督本集團的日常營運及整體綜合管理。陳先生亦為風險管理委員會成員。

陳先生於機電工程行業擁有逾30年的經驗，專注於設計及開發自動收費及鐵路交通監控系統。加入本集團之前，陳先生於一九八一年七月至一九八四年九月於聯合船塢任職，於一九八四年十一月至一九八五年八月亦於G.E.C (Hong Kong) Limited工作。彼於一九八七年十月加入高明科技工程，擔任機電工程師及其後於一九九一年一月晉升為機電科經理及於二零零二年五月為先進產品部總經理。彼於二零零九年十月至二零一七年三月成為高明科技工程的營運董事及自二零一七年四月起為董事總經理。彼於二零一八年四月成為香港董事學會的會員。

陳先生自一九九一年六月起為高明科技工程的董事。彼自二零一一年九月起為技術董事並獲高明科技工程委任為授權簽署人之一，合資格作為建築物條例下第II級別及第III級別A類型及C類型註冊小型工程承建商。

陳先生於一九八七年七月取得英國紐卡斯爾特大學機械工程的工程學學士學位（一級榮譽）及於一九九三年十一月取得香港大學工程學理學碩士學位。

陳先生於一九八八年三月獲認可為香港工程師學會初級會員、英國電氣工程師學會（現稱為英國工程技術學會）會員及於二零零三年四月於英國工程委員會註冊為特許工程師。彼於二零一六年十月獲選為英國機械工程師協會會員。彼於二零一八年四月成為香港董事學會的會員。

陸季農先生，41歲，為執行董事。陸季農先生負責監督本集團的業務發展及營銷。陸季農先生自二零一二年二月及二零一五年十一月起分別擔任高萌科技有限公司（「高萌科技」）及高明科技工程的董事。陸季農先生自二零一一年九月起獲高明科技工程委任為授權簽署人之一，合資格作為建築物條例下第II級別及第III級別A類型註冊小型工程承建商。陸季農先生亦為風險管理委員會成員。

陸季農先生於二零零三年一月加入本集團及於高明科技工程各部門的流程管理方面積累了全方位的經驗。彼於二零一五年四月晉升為安裝經理及於二零一五年十二月為副董事總經理。於過往八年，陸季農先生亦擔任本集團承接的多個項目的項目經理。

# Directors and Senior Management

## 董事及高級管理層

Mr. KL Luk obtained a degree of Bachelor of Science in hotel administration from University of Nevada, Las Vegas, the United States, in December 2000, a degree of Master of Science in administrative studies from Boston University, the United States, in May 2002, and a degree of Master of Science in engineering business management from the Hong Kong Polytechnic University, Hong Kong, in November 2010. He has been a member of The Hong Kong Institute of Directors in November 2017.

Mr. KL Luk is a son of Mr. KM Luk, our founder, Executive Director and chairman of our Board, and the elder brother of Mr. YC Luk, an Executive Director. Mr. KL Luk is the elder son of Madam Leung, our Controlling Shareholder, and the brother-in-law of Ms. Woo Siu Wai, our company secretary.

**Mr. Luk Yin Cheung (陸彥彰)**, aged 39, is an Executive Director. Mr. YC Luk is responsible for overseeing the operation support of our Group, including sourcing and project administration of our Group. Mr. YC Luk has been a director of KML Technology and KML Engineering since February 2012 and November 2015 respectively. Mr. YC Luk is also a member of the Risk Management Committee.

Mr. YC Luk joined our Group in June 2006. In the past 10 years, Mr. YC Luk has gained vast experience in providing training on occupation safety, purchasing, inventory and logistics management in the E&M engineering industry.

Mr. YC Luk graduated with a degree of Bachelor of Business Administration from The University College of the Cariboo, Canada, in December 2002. He was awarded the Postgraduate Diploma in Marketing by The University of Hong Kong School of Professional and Continuing Education in association with the Chartered Institute of Marketing, Hong Kong, in March 2007. He was elected an affiliate member of The Chartered Institute of Logistics and Transport in Hong Kong in May 2016 and was a member of The Hong Kong Institute of Directors in November 2017. To promote the occupational safety of our Group, Mr. YC Luk also was awarded a Diploma in Occupational Health and Safety by the Li Ka Shing Institute of Professional and Continuing Education, The Open University of Hong Kong in January 2017.

Mr. YC Luk is a son of Mr. KM Luk, our founder, Executive Director and chairman of our Board, and the younger brother of Mr. KL Luk, an Executive Director. Mr. YC Luk is the younger son of Madam Leung, our Controlling Shareholder, and the spouse of Ms. Woo Siu Wai, our company secretary.

陸季農先生於二零零零年十二月取得美國內華達大學拉斯維加斯分校酒店管理的理學學士學位，於二零零二年五月取得美國波士頓大學行政學的理學碩士學位，並於二零一零年十一月於香港取得香港理工大學工程商業管理理學碩士學位。彼於二零一七年十一月成為香港董事學會會員。

陸季農先生為本集團創辦人、執行董事兼董事會主席陸鑑明先生的兒子，及執行董事陸彥彰先生的胞兄。陸季農先生為控股股東梁女士的長子，及公司秘書胡劭卉女士的大伯。

**陸彥彰先生**，39歲，為執行董事。陸彥彰先生負責監督本集團的營運支援，包括本集團的採購及項目行政。陸彥彰先生自二零一二年二月及二零一五年十一月起分別為高萌科技及高明科技工程的董事。陸彥彰先生亦為風險管理委員會成員。

陸彥彰先生於二零零六年六月加入本集團。於過往十年，陸彥彰先生於機電工程行業提供職業安全培訓、採購、存貨及物流管理方面積累了豐富經驗。

陸彥彰先生於二零零二年十二月畢業於加拿大加里布大學，取得工商管理學士學位。彼於二零零七年三月獲香港大學專業進修學院(與英國特許市務學會聯營)頒發的營銷深造文憑。彼於二零一六年五月獲選為香港運輸物流學會普通會員及於二零一七年十一月為香港董事學會會員。為促進本集團的職業安全，陸彥彰先生亦於二零一七年一月獲香港公開大學李嘉誠專業進修學院頒發的職業健康及安全文憑。

陸彥彰先生為本集團創辦人、執行董事兼董事會主席陸鑑明先生的兒子及執行董事陸季農先生的胞弟。陸彥彰先生為控股股東梁女士的幼子，及公司秘書胡劭卉女士的配偶。

# Directors and Senior Management

## 董事及高級管理層

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Lau On Kwok (劉安國)**, aged 51, was appointed as an Independent Non-executive Director on 20 September 2017. Mr. Lau is the chairman of the Audit Committee and a member of the Remuneration Committee.

Mr. Lau has extensive experience in the fields of financial management, corporate governance and direct investment. He started his career as accounting professional in an international accountancy firm. Mr. Lau was an executive director at China Assets Investment Management Limited and was also the company secretary and a member of investment committee of China Assets (Holdings) Limited, a company listed on the Stock Exchange (stock code: 170) from April 2004 to December 2010. He was a director of Shandong Lukang Pharmaceutical Company Limited, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600789), from May 2007 to April 2012. From May 2009 to January 2011, Mr. Lau was an independent non-executive director of Sheng Yuan Holdings Limited, a company listed on the Stock Exchange (stock code: 0851). He was employed by Sheng Yuan Asset Management Limited from January 2011 to August 2014, where his last position was executive director. He also assumed the duties of the managing director of Sheng Yuan Investment Advisors Limited from January 2011 to December 2013. Mr. Lau has been the company secretary and financial controller at Winshine Science Company Limited, a company listed on the Stock Exchange (stock code: 209), since November 2014.

Mr. Lau obtained a degree of Bachelor of Arts in accounting and financial analysis from University of Newcastle upon Tyne in June 1990 and a degree of Master of Science in financial management from University of London in December 1998. He also obtained a Diploma on Practices in Chinese Laws and Regulations affecting Foreign Business jointly awarded by Southwest University of Political Science and Law and the Hong Kong Management Association in December 1999.

Mr. Lau has been an associate member of the Hong Kong Institute of Certified Public Accountants since July 1995 and a fellow of The Association of Chartered Certified Accountants, the United Kingdom, since May 2000.

**Mr. Law Wing Chi Stephen (羅永志)**, aged 48, was appointed as an Independent Non-executive Director on 20 September 2017. Mr. Law is the chairman of the Risk Management Committee, and a member of each of the Audit Committee and the Nomination Committee.

Mr. Law has extensive experience in financial management and professional accounting. He was the chief finance officer of Diamondlite Limited, one of the leading jewellery manufacturer in the PRC. Having started his career as a professional accountant in an international accountancy firm, Mr. Law has undertaken key financial management positions in companies engaged in a variety of industries. Mr. Law has been an executive director and company secretary of Kai Yuan Holdings Limited, a company listed on the Stock Exchange (stock code: 1215), since May 2011 and February 2014 respectively and is also currently their chief financial officer.

### 獨立非執行董事

**劉安國先生**，51歲，於二零一七年九月二十日獲委任為獨立非執行董事。劉先生為審核委員會主席及薪酬委員會成員。

劉先生於財務管理、企業管治及直接投資領域擁有豐富經驗。彼於一間國際會計公司擔任會計專業人員，開啟其職業生涯。於二零零四年四月至二零一零年十二月，劉先生為中國資本投資管理有限公司的董事及亦為中國資本(控股)有限公司(聯交所上市公司，股份代號：170)的公司秘書及投資委員會成員。於二零零七年五月至二零一二年四月，彼為山東魯抗醫藥股份有限公司(其股份於上海證券交易所上市，股份代號：600789)的董事。於二零零九年五月至二零一一年一月，劉先生為盛源控股有限公司(聯交所上市公司，股份代號：0851)獨立非執行董事。於二零一一年一月至二零一四年八月，彼受盛源資產管理有限公司僱傭，彼最後職位為執行董事。於二零一一年一月至二零一三年十二月，彼亦於盛源資本投資有限公司承擔董事總經理職責。自二零一四年十一月起，劉先生一直為瀛昆科學有限公司(聯交所上市公司，股份代號：209)的公司秘書及財務總監。

於一九九零年六月，劉先生於紐卡斯爾特大學取得會計及財務分析文學學士學位及於一九九八年十二月在倫敦大學取得財務管理理學碩士學位。於一九九九年十二月，彼亦取得由西南政法大學與香港管理專業協會合頒發的中國涉外經貿法律實務文憑。

自一九九五年七月起，劉先生為香港會計師公會附屬會員及自二零零零年五月起為英國特許公認會計師公會資深會員。

**羅永志先生**，48歲，於二零一七年九月二十日獲委任為獨立非執行董事。羅先生為風險管理委員會主席、審核委員會及提名委員會成員。

羅先生於財務管理及專業會計方面擁有豐富經驗。彼為元藝有限公司(中國一家大型珠寶製造商)財務總監。於一間國際會計公司擔任會計專業人員開啟其職業生涯後，彼於各行各業的公司承擔重要財務管理職位。羅先生自二零一一年五月及二零一四年二月起分別為開源控股有限公司(於聯交所上市的公司，股份代號：1215)執行董事及公司秘書，及現時亦為其財務總監。

# Directors and Senior Management

## 董事及高級管理層

Mr. Law obtained a degree of Bachelor of Arts in Accountancy from the City University of Hong Kong, Hong Kong, in November 1993. Mr. Law has been an associate member of the Hong Kong Institute of Certified Public Accountants since April 1997.

**Dr. Tse Chi Kong (謝智剛)**, aged 53, was appointed as an Independent Non-executive Director on 20 September 2017. Dr. Tse is the chairman of the Remuneration Committee, a member of each of the Audit Committee and the Nomination Committee.

From September 1991 to April 2005, Dr. Tse worked as a lecturer, assistant professor, associate professor and professor in the department of electronic and information engineering (“EIE Department”) of the Hong Kong Polytechnic University, Hong Kong. Dr. Tse was the head of EIE Department from August 2005 to December 2012. Since May 2005, He has also been the chair professor of electronic engineering in the EIE Department. Dr. Tse has been appointed as a member of the research projects assessment panel of Innovation and Technology Fund, a fund administered by the Innovation and Technology Commission of the Government of Hong Kong, for a term from January 2017 to December 2018. He was re-appointed as a member of the Quality Education Fund Steering Committee, which advises the government of Hong Kong on the policies and procedures governing the operation of the Quality Education Fund, in January 2017 for a term of two years. Dr. Tse is currently a member of the council of the Confucius Institute of Hong Kong, an institute under the faculty of humanities of the Hong Kong Polytechnic University, Hong Kong and a member of the board of governors of the Hong Kong Sinfonietta.

Dr. Tse obtained a degree of Bachelor of Engineering in March 1988 and a degree of Doctor of Philosophy from The University of Melbourne, Australia, in October 1991.

Dr. Tse has been elected to the grade of fellow of the Institute of Electrical and Electronic Engineers, Inc., New York, since 2006. Dr. Tse has been a Chartered Professional Engineer with Engineers Australia since February 1994 and a Fellow of Engineers Australia, since September 2009.

羅先生於一九九三年十一月於香港城市大學取得會計學文學學士學位。自一九九七年四月起，羅先生一直為香港會計師公會附屬會員。

**謝智剛博士**，53歲，於二零一七年九月二十日獲委任為獨立非執行董事。謝博士為薪酬委員會主席、審核委員會及提名委員會成員。

於一九九一年九月至二零零五年四月，謝博士擔任香港理工大學電子及資訊工程學系(「電子及資訊工程學系」)的講師、助理教授、副教授及教授。於二零零五年八月至二零一二年十二月，謝博士為電子及資訊工程學系系主任。自二零零五年五月起，彼亦一直為電子及資訊工程學系電子工程首席教授。於二零一七年一月至二零一八年十二月期間，謝博士獲委任為香港政府創新科技署管理的一項基金創新科技基金評審委員。於二零一七年一月，彼再次獲委任為香港優質教育基金督導委員會成員，為期兩年，該委員會就管治及運作優質教育基金的政策及程序向香港政府提供意見。謝博士現時亦為香港孔子學院(香港理工大學人文學院轄下的學院)理事會理事及香港小交響樂團監察委員會成員。

謝博士於一九八八年三月取得澳洲墨爾本大學工程學學士學位及於一九九一年十月取得哲學博士學位。

謝博士自二零零六年起一直獲選為紐約電機電子工程師學會資深會員。謝博士自一九九四年二月起一直為澳洲工程師學會註冊專業工程師及自二零零九年九月起為澳洲工程師學會資深註冊專業工程師。

# Directors and Senior Management

## 董事及高級管理層

### SENIOR MANAGEMENT

**Mr. Hui Wah Pui (許華培)**, aged 60, is a director of KML Engineering and is responsible for providing general advice relating to formulation of solutions, technical and commercial feasibility, and planning and implementation of our projects. Mr. Hui joined our Group in October 1983. He subsequently serves KML Transtech Limited in August 2000, as the president until July 2002 and re-joined KML Engineering in August 2002. He has been appointed as a director of KML Engineering since October 2009.

Mr. Hui has more than 30 years of experience in the field of railway and transportation technology.

Mr. Hui obtained a Higher Certificate in Electrical Engineering (Distinction) (Part-time Day Release) from the Hong Kong Polytechnic, (currently known as The Hong Kong Polytechnic University) Hong Kong, in November 1979.

Mr. Hui was admitted as a member of the Institution of Engineering and Technology, the United Kingdom, and registered as a Chartered Engineer by the Engineering Council, the United Kingdom, in July 2001. He was admitted as member of the Hong Kong Institution of Engineers, Hong Kong, in May 2010 and is currently admitted to the discipline in Electrical and Control, Automation & Instrumentation. He was registered as a Registered Professional Engineer in October 2016 by the Hong Kong Engineers Registration Board under the Engineers Registration Ordinance (Chapter 409 of the Laws of Hong Kong).

**Ms. Wai Hang Ying Helen (衛杏英)**, aged 43, is a director of KML Engineering. Ms. Wai joined our Group in December 1997 and has been responsible for overall administration, human resources and risk management of our Group. Ms. Wai has been a director of KML Engineering since October 2009.

Ms. Wai obtained a degree of Bachelor of Arts in public and social administration in December 1996 and a Degree of Master of Arts in professional accounting and information systems in November 2003, both from the City University of Hong Kong. She was also awarded the Graduate Diploma of Financial Services by Deakin University, Australia, in October 2009. Ms. Wai was admitted as a fellow Certified Insurance Professional by the Australian and New Zealand Institute of Insurance and Finance in August 2009.

**Mr. Tung Tsz On (董子安)**, aged 49, is the chief engineer of our Group. Mr. Tung is responsible for research and development, planning and formulation and supervising the implementation of our projects with provision of day-to-day technical and expert advice to our Group. Mr. Tung is one of the authorised signatories of KML Engineering for its qualification as a Registered Minor Works Contractor for Type A and Type C of Class II & III under the Buildings Ordinance since September 2011.

### 高級管理層

**許華培先生**，60歲，為高明科技工程董事及負責提供有關制定解決方案、技術及商業可用性，以及規劃及執行我們項目的一般意見。許先生於一九八三年十月加入本集團。彼其後於二零零零年八月出任高明資訊科技有限公司總裁直至二零零二年七月，及於二零零二年八月再次加入高明科技工程。彼自二零零九年十月起獲委任為高明科技工程董事。

許先生於鐵路及交通科技領域擁有逾30年經驗。

許先生於一九七九年十一月在香港取得香港理工學院(現稱為香港理工大學)電機工程(優等)(日間部分時間制)高級證書。

許先生於二零零一年七月獲認可為英國工程及科技學會會員及於英國工程學會註冊為特許工程師。彼於二零一零年五月在香港獲認可為香港工程師學會會員及現時獲認可為電機及控制、自動化及儀器儀表專業界別會員。彼於二零一六年十月根據工程師註冊條例(香港法例第409章)於工程師註冊局註冊為註冊專業工程師。

**衛杏英女士**，43歲，為高明科技工程的董事。衛女士於一九九七年十二月加入本集團並負責集團整體的行政、人力資源及風險管理。衛女士自二零零九年十月起一直為高明科技工程董事。

衛女士於一九九六年十二月及二零零三年十一月於香港城市大學分別取得公共及社會行政文學學士學位及專業會計學及資訊系統學文學碩士學位。彼亦於二零零九年十月獲澳洲迪肯大學頒發財務服務深造文憑。衛女士於二零零九年八月獲澳洲新西蘭保險與金融學會認可為資深認證保險師。

**董子安先生**，49歲，為本集團總工程師。董先生負責研發、規劃及制定以及監督項目的執行並向本集團提供日常的技術及專家意見。自二零一一年九月起，董先生一直為高明科技工程有關建築物條例第II及III級別A類型及C類型註冊小型工程承建商的授權簽署人之一。

# Directors and Senior Management

## 董事及高級管理層

Mr. Tung joined our Group in February 2003 as a system engineer and was promoted to the position of chief engineer in April 2010. Mr. Tung has more than 10 years of experience in design and management of E&M engineering projects covering a variety of systems such as automatic control system, car park system, security system and point of sales system etc. He has expertise in handling maintenance work for electronic systems, as well as participating in development and implementation of automatic fare collection systems.

Mr. Tung obtained an Advanced Diploma in network engineering granted by the Hong Kong Productivity Council in December 2000.

**Ms. Law Shuk Ming (羅淑明)**, aged 47, is our chief accountant, being responsible for day-to-day accounting and financial reporting of our Group. Ms. Law joined our Group in May 1995 and was subsequently promoted to senior accounting officer and chief accountant in April 2013 and November 2017, respectively.

Ms. Law obtained a degree of Bachelor of Business Administration from Capstone University, the United States, in November 2007. Ms. Law completed the Accounting Technician Examination by Hong Kong Institute of Accredited Accounting Technicians in December 2005.

### COMPANY SECRETARY

**Ms. Woo Siu Wai (胡劭卉)**, aged 38, is our company secretary, responsible for company secretarial matters, human resources and administrative duties. Ms. Woo joined our Group in April 2011 and was subsequently promoted to administration manager in October 2016.

Before joining our Group, Ms. Woo worked at Success Light Investment Limited from February 2004, and last held the position of company secretarial assistant in the finance department before her departure in April 2011.

Ms. Woo obtained a degree of Bachelor of Arts from the faculty of social sciences of the University of Victoria, Canada, in October 2003, and a degree of Master of Science in Professional Accounting and Corporate Governance from City University of Hong Kong, Hong Kong, in November 2008. Ms. Woo was admitted as an associate of the Hong Kong Institute of Chartered Secretaries and an associate of the Institute of Chartered Secretaries and Administrators in August 2010.

Ms. Woo is the spouse of Mr. YC Luk, our Executive Director, the daughter-in-law of Mr. KM Luk, our Controlling Shareholder and Executive Director, the daughter-in-law of Madam Leung, our Controlling Shareholder, and the sister-in-law of Mr. KL Luk, our Executive Director.

### COMPLIANCE OFFICER

**Mr. Luk Yin Cheung (陸彥彰)**, aged 39, has been appointed as the compliance officer of our Company. His biography is set out in the subsection headed "Executive Directors" in this section.

董先生於二零零三年二月加入本集團為系統工程師並於二零一零年四月晉升為總工程師。董先生於設計及管理機電工程項目方面擁有逾10年經驗，涵蓋自動監控系統、泊車系統、保安系統及零售點系統等各系統。彼於處理電子系統的保養工作，以及參與發展及執行自動收費系統方面擁有專業知識。

董先生於二零零零年十二月取得香港生產力促進局頒授的網絡工程師高等文憑。

**羅淑明女士**，47歲，為我們總會計師，負責本集團日常的會計及財務報告。羅女士於一九九五年五月加入本集團，並隨後於二零一三年四月及二零一七年十一月分別晉升為資深會計主任及總會計師。

羅女士於二零零七年十一月取得美國Capstone University工商管理學士學位。羅女士於二零零五年十二月在香港財務會計協會完成財務會計員考試。

### 公司秘書

**胡劭卉女士**，38歲，為公司秘書，負責公司秘書事宜、人力資源及行政職務。胡女士於二零一一年四月加入本集團，並隨後於二零一六年十月晉升為行政經理。

於加入本集團前，胡女士自二零零四年二月起於Success Light Investment Limited任職及於二零一一年四月辭職前最後職位為財務部的公司秘書助理。

胡女士於二零零三年十月於加拿大維多利亞大學社會科學學院取得文學學士學位，並於二零零八年十一月在香港取得香港城市大學專業會計與企業管治理學碩士學位。胡女士於二零一零年八月獲香港特許秘書公會認可為會員及獲特許公司秘書及行政人員公會認可為會員。

胡女士為執行董事陸彥彰先生的配偶、控股股東兼執行董事陸鑑明先生的兒媳、控股股東梁女士的兒媳及執行董事陸季農先生的弟媳。

### 合規主任

**陸彥彰先生**，39歲，獲委任為本公司合規主任。其履歷載於本節「執行董事」分節。

# Report of Directors

## 董事會報告

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 March 2018.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and its subsidiaries are principally engaged in the provision of electrical and mechanical engineering solutions and services. Analysis of the principal activities of the Group during the year ended 31 March 2018 is set out in the note 6 to the consolidated financial statements.

### RESULTS

The results of the Group for the year ended 31 March 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 69 of this annual report.

### FINAL DIVIDENDS

The Board did not recommend the payment of a final dividend for the year ended 31 March 2018 (2017: nil).

### BUSINESS REVIEW

A review of the business of the Group as at 31 March 2018 and a discussion on the Group's future business development are set out in the paragraphs headed "Business Review" and "Outlook" under the section headed "Management Discussion and Analysis" of this annual report respectively. Descriptions of possible risks and uncertainties that the Group may be facing are provided in paragraphs headed "Principal Risks and Uncertainties" under the section headed "Management Discussion and Analysis" of this annual report. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Highlights on page 5 of this annual report.

In addition, discussions on the Group's environmental policies and performance, important relationships with its stakeholders and compliance with relevant laws and regulations are contained and available in this Report of Directors. The above discussions constitute part of this Report of Directors.

董事會欣然提呈本報告連同本集團截至二零一八年三月三十一日止年度的經審核綜合財務報表。

### 主要業務

本公司主要業務為投資控股及其附屬公司主要從事提供機電工程解決方案及服務。本集團於截至二零一八年三月三十一日止年度的主要業務分析載列於綜合財務報表附註6。

### 業績

本集團截至二零一八年三月三十一日止年度的業績載列於本年報第69頁的綜合損益及其他全面收益表。

### 末期股息

董事會不建議派付截至二零一八年三月三十一日止年度的末期股息(二零一七年：無)。

### 業務回顧

本集團於二零一八年三月三十一日的業務回顧及有關本集團未來業務發展的討論分別載列於本年報「管理層討論及分析」一節中「業務回顧」及「回顧」兩段。有關本集團可能面臨的潛在風險及不確定性的描述載列於本年報「管理層討論及分析」一節中「主要風險及不確定性」一段。使用主要財務表現指標對本集團於本年度內的表現作出的分析載列於本年報第5頁財務摘要。

此外，就本集團環境政策及表現、與其主要持份者的重要關係及有關法律法規之遵守的討論載列於本董事會報告及可從中查閱。上述討論構成本董事會報告的一部分。

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises that all employees have the social obligation to preserve and enhance the quality of the environment. We strive to protect the environment in the course of our business activities by preventing pollution, reducing adverse impact on climate change and enhancing sustainable development. These policies are supported by our employees and are implemented effectively. At the same time, the Group recognises the importance of compliance with regulatory requirements and applicable laws and regulations. During the year ended 31 March 2018, the Group has complied in material respects with environmental laws and regulations including Air Pollution Control (Construction Dust) Regulation, Waste Disposal (Chemical Waste) (General) Regulation of Waste Disposal Ordinance, Waste Disposal (Charges for Disposal of Construction Waste) Regulation, Noise Control Ordinance, Noise Control (General) Regulation and Noise Control (Hand Held Percussive Breakers) Regulations.

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risks of non-compliance with the applicable laws and regulations. The major laws and regulations relating to the Group's business and operations include the Electricity Ordinance, Security and Guarding Services Ordinance, Building (Minor Works) Regulation, Construction Industry Council Ordinance and the Subcontractor Registration Scheme. During the year ended 31 March 2018 and up to the Date of this Report, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. There was no material breach or non-compliance with the applicable laws and regulations by the Group during the year ended 31 March 2018 and up to the Date of this Report. And the Group has complied with all relevant requirements including financial, technical, management and personal criteria applicable to each respective laws and regulations.

### 環境政策及表現

本集團認識到，全體僱員都有社會義務保護及提高環境質量。在進行業務活動過程中，我們通過避免污染、減少對氣候變化的負面影響及增強可持續發展能力來保護環境。該等政策得到我們僱員的大力支持及獲得有效落實。同時，本集團意識到遵守監管規定及適用法律法規的重要性。於截至二零一八年三月三十一日止年度，本集團於重大方面已遵守環境法律法規包括空氣污染管制（建造工程塵埃）規例、廢物處置條例之廢物處置（化學廢物）（一般）規例、廢物處置（建築廢物處置收費）規例、噪音管制條例、噪音管制（一般）條例及噪音管制（手提撞擊式破碎機）規例。

### 有關法律法規之遵守

本集團意識到遵守監管規定之重要性及不遵守適用法律法規之風險。有關本集團業務及營運的主要法律法規包括電力條例、保安及護衛服務條例、建築物（小型工程）規例、建造業議會條例及分包商註冊制度。於截至二零一八年三月三十一日止年度及直至本報告日期，本集團於重大方面已遵守對本集團業務及營運產生重大影響之相關法律法規。於截至二零一八年三月三十一日止年度及直至本報告日期，本集團概無實質性違反或不遵守適用法律法規及本集團已遵守所有相關規定，包括適用於各法律法規的財務、技術、管理及個人準則。

# Report of Directors

## 董事會報告

### RELATIONSHIP WITH KEY STAKEHOLDERS

#### Employees

As at 31 March 2018, the Group employed 212 employees. We maintained a good working relationship with our employees and we did not experience any labour disputes during the year ended 31 March 2018. Recruitment in the E&M engineering service industry is highly competitive, especially with respect to the recruitment of qualified engineering staff. We believe we are hiring high-quality employees in the market by offering competitive wages and benefits and comprehensive training opportunities. We have facilitated the recruitment through a variety of channels, such as newspapers, internet websites, recruitment agencies, career talks and internal referrals. We believe our continuous efforts will help us attract suitable personnel.

#### Customers

Our customers comprise mainly transportation companies and other engineering companies in Hong Kong and Taiwan and also various departments of the Hong Kong Government. We maintain business relationship with our top one customer since year 1978. We usually enter into agreements with our customers on project basis and the majority of such contracts have term over one year. Most of our project contracts are fixed price contracts. The lump sum price is usually determined based on factors including project requirements and estimated cost of materials, labour and time required for completion of the projects.

#### Suppliers

The Group sources equipment, parts and components from our suppliers. The principal materials and equipment used by our E&M engineering business include steel and copper parts, switchboards, and various mechanical equipment. Most of these materials and equipment are sourced from local suppliers or imported mainly from Germany, Taiwan and the PRC.

### FINANCIAL SUMMARY

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

### USE OF NET PROCEEDS FROM LISTING

The net proceeds from the Listing of the Company on the GEM of the Stock Exchange on the Listing Date (after deducting underwriting fees and related expenses) amounted to approximately HK\$36.0 million. As at 31 March 2018, the Company had used approximately HK\$5.4 of the net proceeds for the purposes as disclosed in the Prospectus, representing 15.0% of the net proceeds for the Listing.

### 與主要持份者的關係

#### 僱員

於二零一八年三月三十一日，本集團僱用212名僱員。本集團與我們的僱員保持良好的工作關係，於截至二零一八年三月三十一日止年度，我們並無面臨任何勞動糾紛。機電工程服務行業中招募員工競爭激烈，尤其是招募合資格工程員工。我們相信，我們通過提供具競爭力的薪資及福利以及全面培訓機會能於市場上聘用高質素僱員。通過報紙、互聯網網站、招聘代理、宣講會及內部推薦等一系列渠道，我們加快招聘進度。我們相信我們的不斷努力將有助於吸引合適人員。

#### 客戶

我們的客戶主要包括香港及台灣公共交通營運公司及其他工程公司，以及香港政府各部門。自一九七八年起，我們與我們的最大客戶一直保持業務關係。我們通常按照項目與我們的客戶簽訂協議及大部分相關合約期限一年以上。我們大部分合約項目為固定價格合約。總價通常基於項目規定、估計材料成本、完成項目所需勞工及時間等因素而釐定。

#### 供應商

本集團從我們的供應商獲得設備、零件及部件。我們的機電工程業務使用的主要材料及設備包括鋼材、銅製零件、交換機及各類機械設備。大部分該等材料及設備源自本地供應商或主要自德國、台灣及中國進口。

### 財務概要

本集團過往三個財務年度的業績、資產及負債概要載列於本年報第116頁。本摘要不構成經審核綜合財務報表的一部分。

### 上市所得款項淨額用途

本公司於上市日期於聯交所GEM上市的所得款項淨額（經扣除包銷費及相關開支後）約為36.0百萬港元。於二零一八年三月三十一日，本公司按招股章程披露的用途動用所得款項淨額約5.4百萬港元，佔上市所得款項淨額的15.0%。

# Report of Directors

## 董事會報告

### MAJOR CUSTOMERS, SUPPLIERS AND SUBCONTRACTORS

#### Major Customers

For the year ended 31 March 2018, the Group's sales to its five largest customers accounted for 85.5% (2017: 87.5%) of the Group's total revenue and our single largest customer accounted for 57.6% (2017: 61.0%) of the Group's total revenue.

#### Major Suppliers

For the year ended 31 March 2018, the Group's five largest suppliers accounted for 40.2% (2017: 39.2%) of the Group's total purchases and our single largest supplier accounted for 20.9% (2017: 15.1%) of the Group's total purchases.

#### Major Subcontractors

For the year ended 31 March 2018, the Group's five largest subcontractors accounted for 92.2% (2017: 73.0%) of the Group's total subcontracting cost and our single largest subcontractor accounted for 32.8% (2017: 26.4%) of the Group's total subcontracting cost.

During the year ended 31 March 2018, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares of the Company) had any interest in the Group's five largest customers, suppliers and subcontractors.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year ended 31 March 2018 are set out in note 13 to the consolidated financial statements.

### SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 March 2018 are set out in note 22 to the consolidated financial statements.

### RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 March 2018 are set out on page 71 in the consolidated statement of changes in equity.

### DISTRIBUTABLE RESERVES

As at 31 March 2018, the Company's reserves available for distribution, amounted to approximately HK\$57.9 million (2017: approximately HK\$85.1 million).

### BANK LOANS AND OTHER BORROWINGS

The Company and the Group did not have any bank loans and other borrowings during the year ended 31 March 2018.

### 主要客戶、供應商及分包商

#### 主要客戶

截至二零一八年三月三十一日止年度，本集團於五大客戶的銷售額佔本集團總收益的85.5%（二零一七年：87.5%）及單一最大客戶佔本集團總收益的57.6%（二零一七年：61.0%）。

#### 主要供應商

截至二零一八年三月三十一日止年度，本集團五大供應商佔本集團總採購額的40.2%（二零一七年：39.2%）及單一最大供應商佔本集團總採購額的20.9%（二零一七年：15.1%）。

#### 主要分包商

截至二零一八年三月三十一日止年度，本集團五大分包商佔本集團總分包成本的92.2%（二零一七年：73.0%）及單一最大分包商佔本集團總分包成本的32.8%（二零一七年：26.4%）。

於截至二零一八年三月三十一日止年度，董事、彼等任何緊密聯繫人及任何股東（就董事所深知，彼等擁有本公司已發行股份數目的5%以上）概無於本集團五大客戶、供應商及分包商擁有任何權益。

### 物業、廠房及設備

本公司及本集團於截至二零一八年三月三十一日止年度的物業、廠房及設備變動詳情載列於綜合財務報表附註13。

### 股本

本公司於截至二零一八年三月三十一日止年度的股本變動詳情載列於綜合財務報表附註22。

### 儲備

本公司及本集團於截至二零一八年三月三十一日止年度的儲備變動詳情載列於第71頁的綜合權益變動表。

### 可供分派儲備

於二零一八年三月三十一日，本公司可供分派儲備約57.9百萬港元（二零一七年：約85.1百萬港元）。

### 銀行貸款及其他借貸

本公司及本集團於截至二零一八年三月三十一日止年度沒有任何銀行貸款及其他借貸。

# Report of Directors

## 董事會報告

### DIRECTORS

The Directors of the Company during the year ended 31 March 2018 and up to the date of this annual report are:

#### Executive Directors

- Mr. Luk Kam Ming (Chairman)  
(appointed on 9 June 2017)
- Mr. Chan Chak Lun, Philip (Chief Executive Officer)  
(appointed on 9 June 2017)
- Mr. Luk Kwai Lung  
(appointed on 5 May 2017)
- Mr. Luk Yin Cheung  
(appointed on 5 May 2017)

#### Independent Non-executive Directors

- Mr. Lau On Kwok  
(appointed on 20 September 2017)
- Mr. Law Wing Chi, Stephen  
(appointed on 20 September 2017)
- Dr. Tse Chi Kong  
(appointed on 20 September 2017)

In accordance with article 83(3) of the Articles of Association of the Company (the "Articles of Association"), any Director appointed to fill a casual vacancy on the Board shall hold office until the first general meeting of the Shareholders after his appointment and be subject to re-election at such meeting, or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, all Directors shall hold office until the forthcoming annual general meeting ("AGM"). All of the above retiring Directors, being eligible, will offer themselves for re-election at the AGM.

Details of the Directors to be re-elected at the AGM are set out in the circular to be despatched to the Shareholders.

### DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 16 to 22 of this annual report.

### CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to rule 5.09 of the GEM Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent during the period from the Listing Date to 31 March 2018 (the "Relevant Period") and remain so as at the date of this annual report.

### 董事

截至二零一八年三月三十一日止年度及直至本年報日期，本公司的董事為：

#### 執行董事

- 陸鑑明先生 (主席)  
(於二零一七年六月九日獲委任)
- 陳澤麟先生 (行政總裁)  
(於二零一七年六月九日獲委任)
- 陸季農先生  
(於二零一七年五月五日獲委任)
- 陸彥彰先生  
(於二零一七年五月五日獲委任)

#### 獨立非執行董事

- 劉安國先生  
(於二零一七年九月二十日獲委任)
- 羅永志先生  
(於二零一七年九月二十日獲委任)
- 謝智剛博士  
(於二零一七年九月二十日獲委任)

根據本公司組織章程細則(「組織章程細則」)第83(3)條，獲委任填補董事會臨時空缺的任何董事任期至其獲委任後的第一次股東大會為止及於大會上可膺選連任，或作為董事會新增成員的任何董事任期僅至本公司下屆股東週年大會為止及屆時可膺選連任。因此，全體董事任期直至應屆股東週年大會(「股東週年大會」)為止。上述全體退任董事如合資格可於股東週年大會上膺選連任。

於股東週年大會上將重選的董事詳情載列於將分發予各位股東的通函內。

### 董事及高級管理層

本公司董事及高級管理層的履歷詳情載列於本年報第16頁至第22頁。

### 獨立執行董事獨立性確認

根據GEM上市規則第5.09條，本公司已接獲各獨立非執行董事的年度獨立性確認及本公司認為該等董事於上市日期至二零一八年三月三十一日期間(「有關期間」)均屬獨立及於本年報日期保持獨立性。

# Report of Directors

## 董事會報告

### DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has signed a service contract with the Company for a term of three years commencing from the Listing Date, which may be renewable subject to both parties' agreement.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of three years commencing from the Listing Date, which may be renewable subject to both parties' agreement.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No Director or his connected entity had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the Relevant Period.

### CONTRACTS OF SIGNIFICANCE

Saved as disclosed in this annual report, during the Relevant Period, no contract of significance in respect of provision of services or otherwise was entered into between the Company or its subsidiaries and the controlling shareholders or his/her/its subsidiaries.

### 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 Relevant Period and up to the date of this annual report.

### EMOLUMENT POLICY

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance of the directors and senior management and comparable market practices.

Details of the emoluments of the Directors, and five highest paid individuals during the year ended 31 March 2018 are set out in note 8 to the consolidated financial statements.

### RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in note 25 to the consolidated financial statements.

### 董事的服務合約及委任函

各執行董事已與本公司簽訂服務合約，自上市日期起計為期三年，可由雙方協定重續。

各獨立非執行董事已與本公司簽訂委任函，自上市日期起計為期三年，可由雙方協定重續。

各董事概無訂立本集團不可於一年內免付賠償(法定賠償除外)而終止之服務合約。

### 董事於交易、安排或重大合約中的權益

於有關期間，概無董事或其關連實體直接或間接於任何由本公司或其任何附屬公司或同系附屬公司訂立並對本集團業務而言屬重大的交易、安排或合約中擁有重大權益。

### 重大合約

除本年報所披露者外，於有關期間，本公司或其附屬公司與控股股東或其附屬公司概無就提供服務或其他訂立重大服務合約。

### 管理合約

於有關期間及直至本年報日期，概無訂立或存在涉及本公司全部或任何大部分業務管理及行政的合約。

### 薪酬政策

本公司設立薪酬委員會以檢閱本集團的薪酬政策及本集團所有董事及高級管理層的薪酬(須考慮本集團的經營業績、董事及高級管理層的個人表現及可比較市場慣例)結構。

董事及五名最高薪人士於截至二零一八年三月三十一日止年度的薪酬詳情載列於綜合財務報表附註8。

### 退休及僱員福利計劃

本公司退休及僱員福利計劃詳情載列於綜合財務報表附註25。

# Report of Directors

## 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2018, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), which were recorded in the register required to be kept pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Name	Capacity/nature of Interest	Number of Shares	Long/short position <sup>(3)</sup>	Approximate percentage of Shareholding in the Company (%)
姓名	身份／權益性質	股份數目	好倉／淡倉 <sup>(3)</sup>	於本公司的持股概約百分比
Mr. KM Luk <sup>(1)</sup> 陸鑑明先生 <sup>(1)</sup>	Beneficial owner; interest of spouse 實益擁有人；配偶權益	162,000,000	L	40.5
Mr. KL Luk <sup>(2)</sup> 陸季農先生 <sup>(2)</sup>	Interest in controlled corporation 受控法團權益	138,000,000	L	34.5
Mr. YC Luk <sup>(2)</sup> 陸彥彰先生 <sup>(2)</sup>	Interest in controlled corporation 受控法團權益	138,000,000	L	34.5

Notes:

- (1) Mr. KM Luk directly holds 105,000,000 Shares. Since Mr. KM Luk is the spouse of Madam Leung, Mr. KM Luk is deemed to be interested in all the Shares in which Madam Leung is interested or deemed to be interested under the SFO, which is 57,000,000 Shares.
- (2) Each of Mr. KL Luk and Mr. YC Luk owns one common share in KML Holdings Limited ("KML Holdings"), representing 50% of the issued share capital of KML Holdings carrying voting rights. Mr. KL Luk and Mr. YC Luk are deemed to be interested in all Shares in which KML Holdings is interested or deemed to be interested under the SFO, which is 138,000,000 Shares.
- (3) The Letter "L" denotes the entity/person's long position in the Shares.

Save as disclosed above, as at 31 March 2018, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

### 董事及主要行政人員於股份、相關股份及債權證的權益及淡倉

於二零一八年三月三十一日，董事及本公司主要行政人員於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)股份、相關股份及債權證中擁有根據《證券及期貨條例》第XV部第7和8分部須知會本公司及聯交所的權益及淡倉(包括根據《證券及期貨條例》有關條文視為或當作擁有的權益及淡倉)，或須登記於根據《證券及期貨條例》第352條存置的登記冊，或根據GEM上市規則第5.46至5.67條須另行知會本公司及聯交所的權益及淡倉如下：

Name	Capacity/nature of Interest	Number of Shares	Long/short position <sup>(3)</sup>	Approximate percentage of Shareholding in the Company (%)
姓名	身份／權益性質	股份數目	好倉／淡倉 <sup>(3)</sup>	於本公司的持股概約百分比
Mr. KM Luk <sup>(1)</sup> 陸鑑明先生 <sup>(1)</sup>	Beneficial owner; interest of spouse 實益擁有人；配偶權益	162,000,000	L	40.5
Mr. KL Luk <sup>(2)</sup> 陸季農先生 <sup>(2)</sup>	Interest in controlled corporation 受控法團權益	138,000,000	L	34.5
Mr. YC Luk <sup>(2)</sup> 陸彥彰先生 <sup>(2)</sup>	Interest in controlled corporation 受控法團權益	138,000,000	L	34.5

附註：

- (1) 陸鑑明先生直接擁有105,000,000股股份。由於陸鑑明先生為梁女士的配偶，故陸鑑明先生被視為於梁女士擁有權益或根據證券及期貨條例被視為擁有權益的所有股份(即57,000,000股股份)中擁有權益。
- (2) 陸季農先生及陸彥彰先生各自擁有一股KML Holdings Limited(「KML Holdings」)普通股(佔KML Holdings附帶投票權之已發行股本的50%)。陸季農先生及陸彥彰先生於KML Holdings擁有權益或根據證券及期貨條例被視為擁有權益的所有股份(即138,000,000股股份)中擁有權益。
- (3) 字母「L」表示該實體／個人於股份之好倉。

除上文所披露者外，於二零一八年三月三十一日，概無董事或本公司主要行政人員於本公司或其相聯法團(定義見《證券及期貨條例》第XV部)的股份、相關股份或債權證中擁有或被視作擁有任何根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉(包括根據《證券及期貨條例》有關條文彼等被當作或視作擁有的權益及淡倉)，或須登記於根據《證券及期貨條例》第352條存置的登記冊內的權益或淡倉，或根據GEM上市規則第5.46至5.67條須另行知會本公司及聯交所的權益或淡倉。

# Report of Directors

## 董事會報告

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

As at 31 March 2018, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Capacity/nature of Interest	Number of Shares held/interested <sup>(5)</sup>	Long/short position <sup>(5)</sup>	Approximate percentage of Shareholding in the Company (%)
姓名/名稱	身份/權益性質	持有/擁有權益的股份數目 <sup>(5)</sup>	好倉/淡倉 <sup>(5)</sup>	於本公司的持股概約百分比 (%)
KML Holdings <sup>(1)</sup> KML Holdings <sup>(1)</sup>	Beneficial owner 實益擁有人	138,000,000	L	34.5
Madam Leung <sup>(2)</sup> 梁女士 <sup>(2)</sup>	Beneficial owner; interest of spouse 實益擁有人；配偶權益	162,000,000	L	40.5
Ms. Chan Patricia <sup>(3)</sup> 陳珮筠女士 <sup>(3)</sup>	Interest of spouse 配偶權益	138,000,000	L	34.5
Ms. Woo Siu Wai <sup>(4)</sup> 胡劭卉女士 <sup>(4)</sup>	Interest of spouse 配偶權益	138,000,000	L	34.5

Notes:

- (1) Each of Mr. KL Luk and Mr. YC Luk owns one common share in KML Holdings, representing 50% of the issued share capital of KML Holdings carrying voting rights. Mr. KL Luk and Mr. YC Luk also own approximately 50% and approximately 50%, respectively, of the issued preferred shares in KML Holdings which do not carry voting rights but only rights to dividends.
- (2) Madam Leung is the spouse of Mr. KM Luk. By virtue of the SFO, Madam Leung is deemed to be interested in all the Shares in which Mr. KM Luk is interested or deemed to be interested under the SFO, and vice versa.
- (3) Ms. Chan Patricia is the spouse of Mr. KL Luk. By virtue of the SFO, Ms. Chan Patricia is deemed to be interested in all the Shares in which Mr. KL Luk is interested or deemed to be interested under the SFO.
- (4) Ms. Woo Siu Wai is the spouse of Mr. YC Luk. By virtue of the SFO, Ms. Woo Siu Wai is deemed to be interested in all the Shares in which Mr. YC Luk is interested or deemed to be interested under the SFO.
- (5) The Letter "L" denotes the entity/person's long position in the Shares.

Save as disclosed above, as at 31 March 2018, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

### 主要股東於股份、相關股份及債權證的權益及淡倉

於二零一八年三月三十一日，就董事所深知，以下人士（並非董事或本公司主要行政人員）於本公司股份或相關股份擁有本公司根據《證券及期貨條例》第336條須存置的登記冊所記載或根據《證券及期貨條例》第XV部第2及3分部條文須向本公司及聯交所披露的權益或淡倉：

Name	Capacity/nature of Interest	Number of Shares held/interested <sup>(5)</sup>	Long/short position <sup>(5)</sup>	Approximate percentage of Shareholding in the Company (%)
姓名/名稱	身份/權益性質	持有/擁有權益的股份數目 <sup>(5)</sup>	好倉/淡倉 <sup>(5)</sup>	於本公司的持股概約百分比 (%)
KML Holdings <sup>(1)</sup> KML Holdings <sup>(1)</sup>	Beneficial owner 實益擁有人	138,000,000	L	34.5
Madam Leung <sup>(2)</sup> 梁女士 <sup>(2)</sup>	Beneficial owner; interest of spouse 實益擁有人；配偶權益	162,000,000	L	40.5
Ms. Chan Patricia <sup>(3)</sup> 陳珮筠女士 <sup>(3)</sup>	Interest of spouse 配偶權益	138,000,000	L	34.5
Ms. Woo Siu Wai <sup>(4)</sup> 胡劭卉女士 <sup>(4)</sup>	Interest of spouse 配偶權益	138,000,000	L	34.5

附註：

- (1) 陸季農先生及陸彥彰先生各自擁有KML Holdings一股普通股，佔KML Holdings附帶投票權的已發行股本50%。陸季農先生及陸彥彰先生亦分別擁有KML Holdings已發行優先股（並無附帶投票權但僅有收取股息的權利）約50%及約50%。
- (2) 梁女士為陸鑾明先生的配偶。根據《證券及期貨條例》，梁女士於陸鑾明先生擁有權益或根據《證券及期貨條例》被視作擁有權益的所有股份中擁有權益，反之亦然。
- (3) 陳珮筠女士為陸季農先生的配偶。根據《證券及期貨條例》，陳珮筠女士於陸季農先生擁有權益或根據《證券及期貨條例》被視作擁有權益的所有股份中擁有權益。
- (4) 胡劭卉女士為陸彥彰先生的配偶。根據《證券及期貨條例》，胡劭卉女士於陸彥彰先生擁有權益或根據《證券及期貨條例》被視作擁有權益的所有股份中擁有權益。
- (5) 字母「L」表示該實體/個人於股份之好倉。

除上文所披露者外，於二零一八年三月三十一日，董事並不知悉任何人士（並非董事或本公司主要行政人員）於本公司股份或相關股份中擁有根據《證券及期貨條例》第XV部第2及3分部須向本公司及聯交所披露，或根據《證券及期貨條例》第336條須記入該條所述登記冊內的權益或淡倉。

# Report of Directors

## 董事會報告

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the Relevant Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

### SHARE OPTION SCHEME

In order to recognise and acknowledge the contributions that the directors and employees of the Group have made or may make to the Group, the Company approved and adopted the share option scheme pursuant to the written resolutions of the Shareholders passed on 20 September 2017 (the "Share Option Scheme").

- (i) The Board may, at its absolute discretion and on such terms as it may think fit, grant an option to subscribe any director or employee of the Group, from time to time on the basis of his/her contribution or potential contribution to the development and growth of the Group.
- (ii) The maximum number of Shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 40,000,000 Shares, representing 10% of the total number of Shares in issue as at the date of this annual report. From the date of the adoption of the Share Option Scheme and up to 31 March 2018, no option had been granted pursuant to the Share Option Scheme.
- (iii) The total number of Shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his/her close associates abstaining from voting.
- (iv) An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof.
- (v) An offer for the grant of options must be accepted within three business days from the date of offer. The amount payable by the eligible persons of an option to the Company on acceptance of the offer for the grant of an option is HK\$10.

### 董事收購股份或債權證的權利

除本年報以其他方式披露者外，於有關期間內任何時間，本公司或其任何附屬公司概無訂立任何安排，使董事可藉收購本公司或任何其他法團的股份或債權證而獲得利益，且董事或其任何配偶或未滿18歲子女概無獲授予任何認購本公司或任何其他法團的權益或債務證券的權利或已經行使任何該權利。

### 購股權計劃

為嘉許及表揚本集團董事及僱員已或可能對本集團作出的貢獻，本公司已根據股東於二零一七年九月二十日通過的書面決議案批准及採納購股權計劃（「購股權計劃」）。

- (i) 董事會可酌情及按照其可能認為合適的條款，基於其對本集團的發展及成長所作出之貢獻或潛在貢獻不時向本集團的任何董事或僱員授出購股權。
- (ii) 根據購股計劃可能授出之購股權可認購之股份最大數目合計不得超過40,000,000股股份，佔於本年報日期已發行股份總數的10%。自購股權計劃採納日期起直至二零一八年三月三十一日，概無根據購股權計劃授出購股權。
- (iii) 直至授出日期止任何12個月期間，因根據購股權計劃授予任何參與者的購股權獲行使（包括已行使及尚未行使的購股權）而已發行及將發行的股份總數不得超過已發行股份的1%。額外授出任何超過該上限的購股權須經股東於股東大會上另行批准，且該承授人及其緊密聯繫人須放棄投票。
- (iv) 承授人可於董事會可能釐定的期間，隨時根據購股權計劃的條款行使購股權，惟有關期間不得超過由授出日期起計10年，並受有關提前終止條文所規限。
- (v) 授出購股權的要約須於要約日期起三個營業日內接納。購股權的合資格人士須於接納要約時就獲授的一份購股權向本公司支付10港元。

# Report of Directors

## 董事會報告

- (vi) The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to an eligible person and shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option.
- (vii) The Share Option Scheme will remain in force for a period of 10 years commencing on the Listing Date and shall expire at the close of business on the business day immediately preceding the 10th anniversary thereof unless terminated earlier by the Shareholders in a general meeting.

No option has been granted by the Company under the Share Option Scheme during the Relevant Period. The Company did not have any outstanding share options, warrants derivatives or securities which are convertible or exchangeable into the Shares as at 31 March 2018 and up to the Date of this Report.

### EQUITY-LINKED AGREEMENTS

Saved for the Share Option Schemes as set out in this annual report, no equity-linked agreement that would or might result in the Company issuing Shares, or that requiring the Company to enter into an agreement that would or might result in the Company issuing Shares, was entered into by the Company during the year or subsisted at the end of the year.

### DEBENTURES ISSUED

The Company did not issue any debentures for the year ended 31 March 2018.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Relevant Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro rata basis to the existing Shareholders.

- (vi) 根據購股權計劃授出的任何一份特別購股權的股份認購價將為由董事會全權釐定並通知合資格人士的價格，且不得低於下列各項中的最高者：(i) 聯交所每日報價表所報股份於授出購股權當日(須為營業日)的收市價；(ii) 聯交所每日報價表所報股份於緊接授出購股權前五個營業日的平均收市價；及(iii) 股份於授出購股權當日的面值。

- (vii) 購股權計劃將於上市日期當日起計10年內有效，除非在股東大會上遭股東提早終止，否則於緊接購股權計劃滿十週年前一個營業日的營業時間結束時屆滿。

於有關期間，本公司概無根據購股權計劃授出購股權。於二零一八年三月三十一日及直至本報告日期，本公司並無任何尚未行使的購股權、認股權證、衍生工具或可轉換或交換為股份的證券。

### 股權掛鈎協議

除本年報所載購股權計劃外，本公司於年內或於年末不曾訂立或存有將會或可能導致本公司發行股份或規定本公司訂立將會或可能導致本公司發行股份的協議的股權掛鈎協議。

### 已發行的債權證

截至二零一八年三月三十一日止年度，本公司概無發行債權證。

### 購買、出售或贖回上市證券

於有關期間，本公司或任何其附屬公司概無購買、出售或贖回任何本公司的上市證券。

### 優先購買權

根據組織章程細則及開曼群島法律概無優先購買權條文，規定本公司須按比例向現有股東發售新股份。

# Report of Directors

## 董事會報告

### NON-COMPETITION UNDERTAKING

Pursuant to the deed of non-competition dated 20 September 2017 (the “Deed of Non-competition”) entered into by the Group and Mr. KM Luk, Madam Leung, Mr. KL Luk, Mr. YC Luk and KML Holdings (collectively, the “Controlling Shareholders”) and as covenators (collectively, the “Covenators”), each of the Covenators has irrevocably and unconditionally undertaken to and covenanted with the Company (for itself and as trustee for its subsidiaries) that, subject to the exceptions as described in the Prospectus, during the period that the Deed of Non-Competition remains effective, he/she/it shall not, and shall procure that his/her/its associates (other than any members of the Group) will not, during the term of the Deed of Non-Competition, directly or indirectly, either for his/her/its own account or in conjunction with or on behalf of or for any other person, firm or company, whether for profit, reward or otherwise, (i) carry on, participate in, be interested or engaged in, or acquire or hold any right or interest (in each case whether as a shareholder, partner, agent, consultant, employee or otherwise) directly or indirectly in any business which is or likely to be in competition with the business currently from time to time engaged by the Group (the “Restricted Business”) in Hong Kong, Taiwan and any other country or jurisdiction which any member of the Group provides such services and/or in which any member of the Group carries on its business currently and from time to time (the “Territory”); (ii) solicit, interfere with or endeavour to entice away from any member of the Group any person, firm, company or organisation who to his/her/its knowledge is now or has been a customer, supplier, subcontractor or employee of any member of the Group in the past twelve months before such proposed engagement or employment; or (iii) without prior written consent of the Company, make use of any information pertaining to the business, which have or may have come to his/her/its knowledge in his/her/its capacity as a Controlling Shareholder and/or Director for any purpose of his/her/its capacity as a Controlling Shareholder and/or Director for any purpose of his/her/its engaging, investing or participating in any Restricted Business in the Territory. For details of the above, please refer to the Prospectus.

The Company has received confirmations from the Controlling Shareholders confirming their compliance with the Deed of Non-competition during the Relevant Period for disclosure in this annual report.

The independent non-executive Directors have reviewed the Deed of Non-competition during the Relevant Period and based on the information and confirmation provided by or obtained from the Controlling Shareholders and they were satisfied that the Controlling Shareholders have duly complied with the Deed of Non-competition during the Relevant Period.

### DIRECTORS' INTEREST IN COMPETING BUSINESS

Save as disclosed in this annual report, during the Relevant Period, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

### 不競爭承諾

根據本集團與陸鑑明先生、梁女士、陸季農先生、陸彥彰先生及KML Holdings (統稱「控股股東」)及作為契諾人(統稱「契諾人」)簽立日期為二零一七年九月二十日的不競爭契據，契諾人各自已不可撤回及無條件地向本公司(為其本身及作為其附屬公司的受託人)承諾及立約，除非符合招股章程所述的例外情況，於不競爭契據仍屬有效期間，彼將不會並將促使其聯繫人(本集團任何成員公司除外)不會於不競爭契據有效期間，為彼/其本身或聯同或代表任何其他人士、商號或公司，為利潤、收益或其他利益而直接或間接(i)在香港、台灣及本集團任何成員公司提供相關服務及/或本集團任何成員公司現時及不時進行業務所在的任何其他國家或司法權區(「境內」)發展、經營、持有權益或從事，或收購或持有權利或利益(於各情況下不論為股東、合夥人、代理、顧問、僱員或其他身份)與本集團現時及不時參與的業務活動構成競爭或可能構成競爭的任何業務(「受限制業務」)；(ii)招攬、干預或設法從本集團任何成員公司招引任何據其所知現時或於建議委聘或僱用前十二個月內為本集團任何成員公司的客戶、供應商、分包商或僱員的任何人士、商號、公司或組織；或(iii)在未經本公司事先書面同意的情況下，利用因作為我們的控股股東及/或董事而已經或可能獲悉有關業務的任何資料，以於境內從事、投資或參與任何受限制業務。有關上述詳情，請參閱招股章程。

本公司已接獲控股股東的確認，彼等於有關期間已遵守不競爭契據，以披露於本年報。

獨立非執行董事於有關期間已審閱不競爭契據及根據控股股東提供或自其獲悉的資料及確認，彼等信納控股股東於有關期間已恰當遵守不競爭契據。

### 董事於競爭業務中的權益

除本年報所披露者外，於有關期間，概無董事或彼等各自的聯繫人從事與本集團業務直接或間接競爭或可能競爭的任何業務或於該等業務中擁有權益。

# Report of Directors

## 董事會報告

### CONNECTED TRANSACTIONS

During the Relevant Period, the Group entered into certain connected transactions with the connected persons of the Company, namely K M L Limited and Logistic Industrial Supply Company Limited.

### NON-EXEMPT CONTINUING CONNECTED TRANSACTION

#### Tenancy Agreement

KML Engineering, a wholly-owned subsidiary of the Company, as tenant entered into the tenancy agreement on 12 September 2017 (the "Tenancy Agreement") with K M L Limited as landlord, pursuant to which K M L Limited agreed to lease to KML Engineering the Premises and certain parking spaces (as detailed in the Prospectus). The Directors believe that the entering of this Tenancy Agreement is necessary for the continuous use of the premises and parking spaces by KML Engineering and the growth and operations of the Group.

K M L Limited is a company incorporated in Hong Kong and owned as to 78.2% by Golden Sail International Limited ("Golden Sail"), which is wholly-owned by a trustee for a family trust where the beneficiaries include Mr. KM Luk and Madam Leung. Therefore, K M L Limited is an associate of each of Mr. KM Luk and Madam Leung, and hence is a connected person of the Company.

The principal terms of the Tenancy Agreement are set out below:

- (i) The term of the Tenancy Agreement is for a fixed term commencing on the Listing Date and expiring on 31 March 2020 unless terminated earlier upon certain events of default as provided in the Tenancy Agreement.
- (ii) From the Listing Date to 31 March 2018, the monthly rent of HK\$371,000 per calendar month payable by KML Engineering (exclusive of management fees, government rates and rent and outgoings).
- (iii) The maximum aggregate rent payable by KML Engineering under the Tenancy Agreement for the year ended 31 March 2018 sets out as below:

Maximum aggregate rent 最高租金總額

The actual aggregate rent payable by KML Engineering under the Tenancy Agreement for the year ended 31 March 2018 amounted to HK\$2.0 million.

### 關連交易

於有關期間，本集團與本公司關連人士（即圖遠有限公司及洛士工業器材有限公司）訂立若干關連交易。

### 非獲豁免持續關連交易

#### 租賃協議

於二零一七年九月十二日，本公司的全資附屬公司高明科技工程（作為租戶）與圖遠有限公司（作為業主）訂立租賃協議，據此，圖遠有限公司同意向高明科技工程租賃該等物業及若干泊車位（詳述於招股章程）。董事相信訂立此租賃協議對高明科技工程持續使用物業及泊車位以及本集團的增長及營運而言屬必須。

圖遠有限公司為於香港註冊成立的公司及由Golden Sail International Limited（「Golden Sail」）擁有78.2%，Golden Sail由一名受託人代家族信託（受益人包括陸鑑明先生及梁女士）全資擁有。因此，圖遠有限公司為陸鑑明先生及梁女士的聯繫人，故為本公司的關連人士。

租賃協議的主要條款載於下文：

- (i) 租賃協議的期限乃固定，除非因發生租賃協議訂明的若干違約事件，否則將自上市日期起計及於二零二零年三月三十一日到期。
- (ii) 自上市日期起至二零一八年三月三十一日，高明科技工程應付的月租為每月371,000港元（不包括管理費、政府差餉、地租及支出）。
- (iii) 於截至二零一八年三月三十一日止年度，高明科技工程根據租賃協議應付的最高租金總額載列如下：

**Maximum aggregate rent  
for the year ended  
31 March 2018  
截至二零一八年  
三月三十一日止年度的  
最高租金總額  
HK\$'000  
千港元**

**2,046**

於截至二零一八年三月三十一日止年度，高明科技工程根據租賃協議應付的實際租金總額為2.0百萬港元。

# Report of Directors

## 董事會報告

During the Relevant Period, the independent non-executive Directors have reviewed the aforesaid continuing connected transactions and confirmed that the transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The external auditor of the Company (the "Auditor") has performed the audit procedures regarding the continuing connected transactions entered into by the Group during the Relevant Period and based on its work, the Auditor provided the Board with a letter confirming that, with respect to the aforesaid continuing connected transaction:

- (i) the transactions have been approved by the Board;
- (ii) the transactions were entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (iii) the aggregate amounts of the transactions have not exceeded the relevant caps as set by the Company.

The related party transactions as disclosed in Note 24 to the consolidated financial statements constituted as connected transactions or continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules and in compliance with the disclosure requirements under Chapter 20 of the GEM Listing Rules.

Save as disclosed in this annual report, during the Relevant Period, the Company had no connected transactions or continuing connected transactions which fell to be disclosed in accordance with the provisions under Chapter 20 of the GEM Listing Rules in relation to the disclosure of connected transactions and continuing connected transactions.

於有關期間，獨立非執行董事已審閱上述持續關連交易及確認該等交易乃：

- (i) 於本集團的日常及一般業務過程中進行；
- (ii) 按正常商業條款進行；及
- (iii) 按照監管彼等的有關協議，按公平合理及符合股東的整體利益之條款進行。

本公司外聘核數師（「核數師」）已履行有關本集團於有關期間訂立的持續關連交易的審計程序。根據其工作，核數師就上述持續關連交易向董事會致函確認：

- (i) 該等交易已獲董事會批准；
- (ii) 該等交易於所有重大方面均根據監管彼等的有關協議進行；及
- (iii) 該等交易總額不超過由公司設定的相關上限。

誠如綜合財務報表附註24所披露者，關聯方交易構成關連交易或持續關連交易（定義見GEM上市規則第20章）及遵守GEM上市規則第20章項下的披露規定。

除本年報所披露者，於有關期間，本公司並無根據GEM上市規則第20章項下有關披露關連交易及持續關連交易的條文須予披露的關連交易或持續關連交易。

# Report of Directors

## 董事會報告

### MATERIAL LEGAL PROCEEDINGS

For the year ended 31 March 2018, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

### PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, Directors and senior officers of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. The Company has arranged appropriate Directors and officers liability insurance coverage for the Directors and officers of the Company since the Listing Date.

### SUBSEQUENT EVENTS

Since 31 March 2018 to the Date of this Report, there was no important events affecting the Group.

### AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") had, together with the management and the Auditor, reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 March 2018.

### CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 38 to 51 of this annual report.

The compliance officer of the Company is Mr. Luk Yin Cheung, whose biographical details are set out on page 18 of this annual report. The company secretary is Ms. Woo Siu Wai who satisfies the qualification requirements under Rules 5.14 and 11.07 of the GEM Listing Rules as the company secretary of the Company. Ms. Woo's biographical details are set out on page 22 of this annual report.

### 重大法律訴訟

於截至二零一八年三月三十一日止年度，本公司概無涉及任何重大訴訟或仲裁，及董事知悉概無任何仍未了結或面臨的重大訴訟或索償。

### 獲准許彌償條文

根據細則，本公司董事及高級職員就其執行職務或與此有關所蒙受或招致的一切損失或負債，均有權從本公司資產中獲得彌償保證，而各董事或職員概無須就其執行職務可能出現或招致的任何損失、損害或不幸情況負責。自上市日期起，本公司已為本公司董事及職員安排合適的董事及高級職員責任保險。

### 期後事項

自二零一八年三月三十一日至本報告日期，並無任何對本集團有重大影響的事件。

### 審核委員會

本公司審核委員會（「審核委員會」）已連同管理層及核數師審閱本集團採納的會計原則及政策及截至二零一八年三月三十一止年度的綜合財務報表。

### 企業管治

本公司致力維持高水平的企業管治常規。有關本集團採納的企業管治常規的資料載列於本年報第38頁至第51頁的企業管治報告。

本公司的合規主任為陸彥彰先生，其履歷詳情載列於本年報第18頁。公司秘書為胡劭卉女士，其作為本公司的公司秘書符合GEM上市規則第5.14條及第11.07條項下的資格規定。胡女士的履歷詳情載列於本年報第22頁。

# Report of Directors

## 董事會報告

### INTERESTS OF COMPLIANCE ADVISER

As notified by the Company's compliance adviser, Kingsway Capital Limited ("Kingsway Capital"), neither Kingsway Capital nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation of the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules and all Directors and the Controlling Shareholders and their respective close associates as referred to in Rule 11.04 of the GEM Listing Rules (except for the compliance adviser service provided by Kingsway Capital as at the Date of this Report).

### SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the GEM Listing Rules, was held by the public at all times during the Relevant Period and up to the date of this annual report.

### AUDITOR

Deloitte Touche Tohmatsu was appointed as the Auditor for the year ended 31 March 2018. The accompanying financial statements prepared in accordance with Hong Kong Financial Reporting Standards have been audited by Deloitte Touche Tohmatsu.

On behalf of the Board  
**KML Technology Group Limited**  
**Luk Kam Ming**  
*Chairman and Executive Director*

Hong Kong, 19 June 2018

### 合規顧問的權益

誠如本公司合規顧問滙富融資有限公司(「滙富融資」)告知，滙富融資或其任何董事或僱員或緊密聯繫人概無於本公司或本集團任何成員公司的股本中擁有任何權益(包括認購該等證券的購股權或權利)或擁有根據GEM上市規則第6A.32條須知會本公司及全體董事及控股股東及彼等按GEM上市規則第11.04條所指的各自緊密聯繫人與本公司有關的其他權益(滙富融資於本報告日期提供的合規顧問服務除外)。

### 足夠公眾持股量

根據本公司可公開獲取的資料及據董事所深知，於有關期間及直至本年報日期，本公司已發行股份總數中至少25%(聯交所批准及根據GEM上市規則所允許的規定最低公眾持股百分比)一直由公眾持有。

### 核數師

德勤•關黃陳方會計師行獲委任為截至二零一八年三月三十一日止年度的核數師。根據香港財務報告準則編製的隨附財務報表已獲德勤•關黃陳方會計師行審核。

承董事會命  
**高萌科技集團有限公司**  
**陸鑑明**  
*主席兼執行董事*

香港，二零一八年六月十九日

# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. During the Relevant Period, the Company has applied the principles as set out in the CG Code contained in Appendix 15 to the GEM Listing Rules which are applicable to the Company and has complied with the CG Code.

### THE BOARD

#### Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group’s strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company’s affairs, the Board has established four Board committees including the Audit Committee, the remuneration committee (the “Remuneration Committee”), the nomination committee (the “Nomination Committee”) and the Risk Management Committee (together, the “Board Committees”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors had carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

#### Board Composition

The Board comprises four executive Directors and three independent non-executive Directors as follows:

#### Executive Directors:

Mr. LUK Kam Ming  
Mr. CHAN Chak Lun Philip  
Mr. LUK Kwai Lung  
Mr. LUK Yin Cheung

#### Independent Non-executive Directors:

Mr. LAU On Kwok  
Mr. LAW Wing Chi Stephen  
Dr. TSE Chi Kong

The biographies of the Directors are set out under the section headed “Directors and Senior Management” of this annual report.

### 企業管治常規

本公司致力維持高水平的企業管治，以保障股東權益以及提升企業價值及問責性。本公司已採納GEM上市規則附錄十五所載的企業管治守則（「企業管治守則」）作為其本身的企業管治守則。於有關期間，本公司已採用GEM上市規則附錄十五所載企業管治守則項下適用於本公司的原則，並已遵守企業管治守則。

### 董事會

#### 職責

董事會負責本集團的整體領導，監督本集團的戰略決策及監控業務與表現。董事會已向本集團高級管理層授予有關本集團日常經營管理方面的權力及職責。為監督本公司事務的特定方面，董事會已成立四個董事委員會，包括審核委員會、薪酬委員會（「薪酬委員會」）、提名委員會（「提名委員會」）及風險管理委員會（統稱「董事委員會」）。董事會已向董事委員會授權其各自職權範圍所載的職責。

全體董事以誠信態度執行職責，並遵守適用法例及規例，且一直以符合本公司及股東的利益行事。

本公司已就針對董事的法律訴訟安排適當的責任保險，保險範圍將每年進行審閱。

#### 董事會組成

董事會由下列四名執行董事及三名獨立非執行董事組成：

#### 執行董事：

陸鑑明先生  
陳澤麟先生  
陸季農先生  
陸彥彰先生

#### 獨立非執行董事：

劉安國先生  
羅永志先生  
謝智剛博士

各董事履歷載於本年報「董事及高級管理層」一節。

# Corporate Governance Report

## 企業管治報告

During the Relevant Period, the Board has met at all times the requirements under Rules 5.05(1) and 5.05(2) of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with rule 5.05A of the GEM Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company's performance. Therefore, the Company has adopted a Board diversity policy to ensure that the Company will, when determining the composition of the Board, consider Board diversity in terms of, among other things, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board.

The Company has received the confirmation from each of the independent non-executive Directors about his independence pursuant to Rule 5.09 of the GEM Listing Rules, the Company considers each of them to be independent.

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Directors and the chief executive of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Management Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and the time involved to the Company, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

於有關期間，董事會一直遵守GEM上市規則第5.05(1)及5.05(2)條有關委任至少三名獨立非執行董事，而其中至少有一名獨立非執行董事擁有適當的專業資格或會計或相關財務管理專長的規定。

本公司亦遵守GEM上市規則第5.05A條有關委任的獨立非執行董事佔董事會人數至少三分之一的規定。

本公司相信董事會成員多元化將對加強本公司表現益處良多。因此，本公司已採納董事會多元化政策，以確保在釐定董事會成員組合時會從年齡、文化及教育背景、專業經驗、技能及知識等多個方面考慮董事會多元化。董事會所有委任均以用人唯才為基礎，並在考慮候選人時以客觀條件顧及董事會多元化之裨益。

本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條之規定就其獨立性而發出之確認，本公司認為彼等均為獨立人士。

除本年報「董事及高級管理層」一節所載董事履歷中披露者外，概無董事與任何其他董事及本公司主要行政人員有任何個人關係（包括財務、業務、家族或其他重大或相關關係）。

全體董事（包括獨立非執行董事）均為董事會帶來各種不同的寶貴營商經驗、知識及專門技能，促進董事會高效及有效運作。獨立非執行董事獲邀出任審核委員會、薪酬委員會、提名委員會及風險管理委員會成員。

鑒於企業管治守則條文要求董事向本公司披露於公眾公司或機構擔任職務的數量及性質及其他重大承擔，以及公眾公司或機構的身份及所投入時間，董事已同意適時向本公司披露彼等的承擔及任何後續變動。

# Corporate Governance Report

## 企業管治報告

### INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Group's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company also provides regular updates on latest development and changes in the GEM Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Group's performance, position and prospects to enable the Board as a whole and each Director to discharge his duties.

Directors are encouraged to participate in continuous professional development seminars to develop and refresh their knowledge and skills. The company secretary of the Company has from time to time updated and provided the Directors with written training materials relating to the roles, functions and duties of a director of a listed issuer on GEM of the Stock Exchange.

The professional trainings of the Directors during the year ended 31 March 2018 are as follows:

#### Directors 董事

##### Executive Directors

Mr. LUK Kam Ming  
Mr. CHAN Chak Lun Philip  
Mr. LUK Kwai Lung  
Mr. LUK Yin Cheung

##### 執行董事

陸鑑明先生  
陳澤麟先生  
陸季農先生  
陸彥彰先生

##### Independent Non-Executive Directors

Mr. LAU On Kwok  
Mr. LAW Wing Chi Stephen  
Dr. TSE Chi Kong

##### 獨立非執行董事

劉安國先生  
羅永志先生  
謝智剛博士

#### Notes:

- A: Attending seminars and/or meetings and/or forums and/or briefings  
B: Reading materials relevant to corporate governance, director's duties and responsibilities, listing rules and other relevant ordinances

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals.

The chairman of the Board and the chief executive officer of the Company (the "Chief Executive Officer") are currently two separate positions held by Mr. KM Luk and Mr. CHAN Chak Lun Philip, respectively, with clear distinction in responsibilities. Mr. KM Luk is responsible for devising strategies for the continuous development of the Group, overseeing the Group's business operations and financial performance, as well as leading the Board in performing its functions. While Mr. CHAN Chak Lun Philip is responsible for managing the overall business operations and executing business strategies of the Group.

### 入職及持續專業發展

所有新委任的董事均獲提供必要的入職培訓及資料，以確保彼對本集團的營運及業務以及彼於相關法規、法例、規則及規例下的責任有適當了解。本公司亦定期提供GEM上市規則及其他相關法律及監管規定之不時最新發展及變動的更新資料。董事亦定期獲提供有關本集團表現、狀況及前景的最新資料，以便董事會全體及各董事履行彼等的職責。

本公司鼓勵董事參與持續專業發展研討會，以發展及更新彼等的知識及技能。本公司的公司秘書不時向董事更新及提供有關聯交所GEM上市發行人董事角色、職能及職責的書面培訓資料。

董事於截至二零一八年三月三十一日止年度參與的專業培訓如下：

#### Type of trainings 培訓類別

	A, B

#### 附註：

- A：出席研討會及／或會議及／或論壇及／或簡報會  
B：閱覽企業管治、董事職責及責任、上市規則及其他相關條例的相關材料

### 主席及行政總裁

根據企業管治守則守則條文第A.2.1條，主席及行政總裁的角色應予以區分及由不同人士擔任。

董事會主席及本公司行政總裁（「行政總裁」）目前由陸鑑明先生及陳澤麟先生分別擔任，其職責範圍有明確區分。陸鑑明先生負責設計本集團持續發展策略、監督本集團業務營運及財務表現以及領導董事會履行其職能，而陳澤麟先生負責管理本集團整體業務營運及執行業務策略。

# Corporate Governance Report

## 企業管治報告

### TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has signed a service contract with the Company for an initial term of three years commencing from the Listing Date, subject to termination as provided in the service contract.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for an initial term of three years commencing from the Listing Date, which may be renewable subject to both parties' agreement.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

### COMPLIANCE WITH THE REQUIRED STANDARDS OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions in the securities of the Company.

The Company has made specific enquiries to all Directors about their compliance with the required standard of dealings from the Listing Date and up to 31 March 2018, without noticing any violation of the required standard.

### DELEGATION BY THE BOARD

The Board reserves for its decision on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors are provided with sufficient resources to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

### 董事的委任年期及重選連任

各執行董事已與本公司訂立服務合約，初始年期為自上市日期起計為期分別三年，惟可須根據服務合約規定予以終止。

各獨立非執行董事已與本公司訂立委任函，初始年期為自上市日期起計為期三年，可按雙方協定予以重續。

概無董事與本集團訂有任何本集團如無作出賠償(法定賠償除外)則不可於一年內終止的服務合約。

董事的委任、重選連任及罷免程序及步驟載於組織章程細則。提名委員會負責檢討董事會的組成及就董事的委任、重選連任及繼任計劃向董事會提供推薦建議。

### 遵守董事進行證券交易的必守標準

本公司已採納GEM上市規則第5.48至5.67條所載交易必守標準作為其本身就董事進行本公司證券交易的操守準則。

本公司已就全體董事於上市日期起及直至二零一八年三月三十一日遵守交易必守標準的情況向彼等作出特定查詢，並無發現任何違反必守標準的情況。

### 董事會的授權

董事會對本公司所有重大事宜保留決策權，包括：批准及監督一切政策事宜、整體策略及預算、風險管理及內部監控系統、重大交易(特別是可能牽涉利益衝突者)、財務資料、委任董事及其他重大財務及營運事宜。董事於履行彼等職責時獲提供充足資源尋求獨立專業意見，費用由本公司承擔。彼等亦可向本公司高級管理層進行獨立諮詢。

本集團的日常管理、行政及營運交予高級管理層負責。授權職能及職責由董事會定期檢討。管理層訂立任何重大交易前須取得董事會批准。

# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE FUNCTION

The Board recognises that corporate governance should be the collective responsibility of the Directors which includes:

- (i) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (ii) to review and monitor the training and continuous professional development of the Directors and senior management;
- (iii) to develop, review and monitor the codes of conduct and compliance manuals applicable to employees and the Directors;
- (iv) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board on such matters;
- (v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report; and
- (vi) to review and monitor the Company's compliance with the Company's whistleblowing policy.

### BOARD MEETINGS

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committees meetings, reasonable notice is generally given. The agenda and accompanying board papers are despatched to the Directors or Board Committees members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committees members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the Board or the relevant Board Committees prior to the meeting. Minutes of the meetings are kept by the company secretary with copies circulated to all Directors to the relevant Board Committees members for information and records.

Minutes of the Board meetings and Board Committees meetings are recorded in sufficient details about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors or the Board Committees members. Draft minutes of each Board meeting and Board Committees meeting are sent to the Directors or the Board Committees members for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings and the Board Committees are open for inspection by Directors.

### 企業管治職能

董事會確認，企業管治應屬董事的共同責任，包括：

- (i) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (ii) 檢討及監察董事及高級管理層的培訓及持續專業發展；
- (iii) 制定、檢討及監察適用於僱員及董事的操守準則及合規手冊；
- (iv) 制定及檢討本公司的企業管治政策及常規，並就有關事宜向董事會提出建議；
- (v) 檢討本公司遵守企業管治守則的情況及企業管治報告的披露資料；及
- (vi) 檢討及監察本公司遵守其舉報政策的情況。

### 董事會會議

本公司採納定期舉行董事會會議之慣例，每年至少舉行四次會議，大約每季度舉行一次。全體董事就所有定期董事會會議會發不少於十四天的通知，令彼等有機會出席會議及於定期會議議程內載入有關事宜。

就其他董事會及董事委員會會議而言，一般會發出合理時間的通知。會議議程及隨附董事會文件在會議日期前至少三天寄發予董事或董事委員會成員，以確保彼等有充足時間審閱有關文件及充分準備出席會議。倘董事或董事委員會成員未能出席會議，則彼等會獲悉將予討論的事宜及於會議召開前有機會知會董事會或相關董事委員會主席有關彼等的意見。會議記錄由公司秘書保存，副本將於全體董事或相關董事委員會成員間傳閱，以供參閱及記錄。

董事會會議及董事委員會會議的會議記錄會詳盡記錄董事會及董事委員會所考慮的事宜及所達致的決定，包括董事或董事委員會成員提出的任何問題。各董事會會議及董事委員會會議的會議記錄草稿會於會議舉行日期後的合理時間內寄送至各董事或董事委員會成員，以供彼等提出意見。董事會及董事委員會的會議記錄可供董事查閱。

# Corporate Governance Report

## 企業管治報告

During the Relevant Period, three board meetings and no general meeting were held and the attendance of each Director at these meetings is set out in the table below:

於有關期間，共舉行三次董事會會議，並無舉行股東大會。各董事於該等會議的出席情況載於下表：

Directors		Board meeting(s) Attended/Held 已出席／已舉行 董事會會議
<b>董事</b>		
<b>Executive Directors:</b>		
Mr. LUK Kam Ming	執行董事： 陸鑑明先生	3/3
Mr. CHAN Chak Lun Philip	陳澤麟先生	3/3
Mr. LUK Kwai Lung	陸季農先生	3/3
Mr. LUK Yin Cheung	陸彥彰先生	3/3
<b>Independent Non-executive Directors:</b>		
Mr. LAU On Kwok	獨立非執行董事： 劉安國先生	3/3
Mr. LAW Wing Chi Stephen	羅永志先生	3/3
Dr. TSE Chi Kong	謝智剛博士	3/3

### BOARD COMMITTEES

#### Audit Committee

The Audit Committee currently comprises three members, namely Mr. LAU On Kwok (chairman), Mr. LAW Wing Chi Stephen and Dr. TSE Chi Kong, all of them are independent non-executive Directors.

The principal duties of the Audit Committee include the following:

- (i) To review the relationship with the auditor by reference to the work performed by the auditor, the remuneration and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of the auditor;
- (ii) To review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or the auditor before submission to the Board; and
- (iii) To review the adequacy and effectiveness of the Company's financial reporting system, financial and accounting policies, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

The Audit Committee had two meetings and one of the meetings with the Company's external auditor during the Relevant Period.

#### 董事委員會

##### 審核委員會

審核委員會目前由三名成員組成，即劉安國先生(主席)、羅永志先生及謝智剛博士，彼等均為獨立非執行董事。

審核委員會的主要職責包括以下方面：

- (i) 透過參考核數師開展的工作、彼等的薪酬及委聘條款檢討與核數師的關係，及就委任、續聘及罷免核數師向董事會提出建議；
- (ii) 審閱財務報表及報告，並於遞交予董事會前考慮本公司負責會計及財務報告職能的職員、合規主任或核數師提出的任何重大或不尋常事項；及
- (iii) 檢討本公司財務報告系統、財務及會計政策是否充足有效，包括本公司在會計及財務報告職能方面的資源、員工資歷及經驗、培訓課程及預算是否充足。

審核委員會的書面職權範圍於聯交所及本公司網站可供查閱。

審核委員會於有關期間已舉行兩次會議，並與本公司的外聘核數師舉行一次會議。

# Corporate Governance Report

## 企業管治報告

During the period from the Listing Date up to the date of this annual report, the Audit Committee had two meetings with the auditor of the Company to discuss (i) the interim review for the six months ended 30 September 2017; and (ii) annual audit for the year ended 31 March 2018 with the following matters:

- reviewed the interim results of the Group for the six months ended 30 September 2017 as well as the review report prepared by the Auditor relating to accounting issues and major findings in course of review;
- reviewed the final results of the Group for the year ended 31 March 2018 as well as the audit report prepared by the Auditor relating to accounting issues and major findings in course of audit; and
- reviewed the financial reporting system, compliance procedures, (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function), and the re-appointment of the Auditor; the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the Auditor.

The Company will comply with the CG Code to hold at least four meetings of the Audit Committee annually for the year ending 31 March 2019 onwards.

### Nomination Committee

The Nomination Committee currently comprises three members, namely Mr. LUK Kam Ming, (chairman), Mr. LAW Wing Chi Stephen and Dr. TSE Chi Kong, the majority of the committee is comprised by independent non-executive Directors.

The principal duties of the Nomination Committee include the following:

- (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (iii) to assess the independence of independent non-executive Directors; and
- (iv) to make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the chairman and the chief executive officer of the Company.

於上市日期起直至本年報日期止期間，審核委員會與本公司的核數師舉行兩次會議，就(i)截至二零一七年九月三十日止六個月的中期審閱；及(ii)截至二零一八年三月三十一日止年度的年度審核的下列方面進行討論：

- 審閱本集團截至二零一七年九月三十日止六個月的中期業績，以及由核數師就有關會計事項及於審閱過程中的重大發現所編製的審閱報告
- 審閱本集團截至二零一八年三月三十一日止年度之末期業績，以及由核數師就有關會計事項及於審核過程中的重大發現所編製的審核報告；及
- 檢討財務報告系統、合規程序(包括本公司在會計及財務報告職能方面的資源、員工資歷及經驗、培訓課程及有關預算是否充足)以及核數師的重新委任；董事會並無偏離審核委員會就甄選、委任、辭任或罷免核數師提出之任何推薦建議。

本公司將遵守企業管治守則，於截至二零一九年三月三十一日止年度每年至少舉行四次審核委員會會議。

### 提名委員會

提名委員會現時由三名成員組成，即陸鑑明先生(主席)、羅永志先生及謝智剛博士。該委員會大多數成員為獨立非執行董事。

提名委員會的主要職責包括以下方面：

- (i) 至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗)，並就任何為配合本公司的企業策略而擬對董事會作出的變動作出推薦建議；
- (ii) 物色具備合適資格之人士出任董事會成員，以及對獲提名出任董事之人士進行甄選或就此向董事會作出推薦建議；
- (iii) 評估獨立非執行董事的獨立性；及
- (iv) 就委任或重新委任董事以及董事(尤其是本公司主席及行政總裁)繼任計劃向董事會提出建議。

# Corporate Governance Report

## 企業管治報告

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

The Nomination Committee had one meeting during the Relevant Period.

During the period from the Listing Date up to the date of this annual report, the Nomination Committee had two meetings to assess the independence of independent non-executive Directors and consider the re-appointments of the retiring Directors.

The Company will comply with the CG Code to hold at least one meeting of the Nomination Committee annually for the year ending 31 March 2019 onwards.

Pursuant to code provision A.5.6 of the CG Code, listed issuers are required to adopt a board diversity policy. On 16 October 2017, the Board adopted a board diversity policy, a summary of which is set out below:

- (i) With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.
- (ii) In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.
- (iii) All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.
- (iv) Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.
- (v) The Nomination Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of this Policy; and
- (vi) The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

提名委員會按誠信、經驗、技能以及為履行責任及職責所付出之時間及努力等標準評估候選人或在任人。提名委員會之建議將於其後提交董事會以作決定。提名委員會的書面職權範圍於聯交所及本公司網站可供查閱。

提名委員會於有關期間舉行一次會議。

於上市日期起直至本年報日期止期間，提名委員會舉行兩次會議，評估獨立非執行董事的獨立性及考慮重新委任退任董事。

本公司將遵守企業管治守則，自截至二零一九年三月三十一日止年度起每年至少舉行一次提名委員會會議。

根據企業管治守則守則條文第A.5.6條，上市發行人須採納董事會多元化政策。於二零一七年十月十六日，董事會採納董事會多元化政策，其概要載列如下：

- (i) 為達致可持續的均衡發展，公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。
- (ii) 公司在設計董事會成員組成時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。
- (iii) 董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。
- (iv) 甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定。
- (v) 提名委員會將每年在《企業管治報告》內匯報董事會在多元化層面的組成，並監察本政策的執行。
- (vi) 提名委員會將在適當時候審閱本政策，以確保本政策行之有效。提名委員會將會討論任何或需作出的修訂，再向董事會提出修訂建議，供董事會審批。

# Corporate Governance Report

## 企業管治報告

### Remuneration Committee

The Remuneration Committee currently comprises three members, namely Dr. TSE Chi Kong (chairman), Mr. LAU On Kwok and Mr. LUK Kam Ming, the majority of the committee is comprised by independent non-executive Directors.

The principal duties of the Remuneration Committee include the following:

- (i) to make recommendations to the Board on the Company's overall policy and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives determined by the Board, and assess performance of executive Directors and the terms of their service agreements;
- (iii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. These include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (iv) to make recommendations to the Board on the remuneration of non-executive Directors; and
- (v) to ensure that no Director or any of his/her associates (as defined in the GEM Listing Rules) is involved in deciding his/her own remuneration.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

The Remuneration Committee had one meeting during the Relevant Period.

### 薪酬委員會

薪酬委員會由三名成員組成，即謝智剛博士（主席）、劉安國先生及陸鑑明先生。該委員會大多數成員為獨立非執行董事。

薪酬委員會的主要職責包括以下方面：

- (i) 就本公司董事及高級管理層的整體薪酬政策及架構，以及就設立正規且具透明度的程序以便制定薪酬政策，向董事會提出推薦建議；
- (ii) 經參考董事會所訂企業目標及目的，檢討及批准管理層的薪酬提案，並評估執行董事的表現以及其服務協議條款；
- (iii) 就個別執行董事及高級管理層的薪酬待遇，包括實物利益、退休金權利及賠償金額（包括喪失或終止職務或委任應付的任何賠償）向董事會提出推薦建議；
- (iv) 就非執行董事的薪酬向董事會提出推薦建議；及
- (v) 確保任何董事或其任何聯繫人（定義見GEM上市規則）不得參與訂定本身的薪酬。

薪酬委員會的書面職權範圍於聯交所及本公司網站可供查閱。

薪酬委員會於有關期間內舉行一次會議。

# Corporate Governance Report

## 企業管治報告

During the period from the Listing Date up to the date of this annual report, the Remuneration Committee had two meetings to discuss, review and make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Company.

The Company will comply with the CG Code to hold at least one meeting of the Remuneration Committee annually for the year ending 31 March 2019 onwards.

### Remuneration of Directors and Senior Management

Particulars of the remuneration of the Directors and the five highest individuals during the Relevant Period are set out in Note 8 to the consolidated financial statements. Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management (including Company Secretary and other than the Directors) whose particulars are contained in the section headed "Directors and Senior Management" in this annual report for the year ended 31 March 2018 by band is set out below:

#### Remuneration band (in HK\$)

薪酬組別(港元)

#### Number of individuals

人數

Not exceeding HK\$1,000,000	不超過 1,000,000 港元	4
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1

### Risk Management Committee

The Risk Management Committee comprises five members, namely Mr. LAW Wing Chi Stephen (chairman), Mr. CHAN Chak Lun Philip, Mr. LAU On Kwok, Mr. LUK Kwai Lung and Mr. LUK Yin Cheung.

The principal duties of the Risk Management Committee include the following:

- (i) to review the Group's risk management system, including risk, capital and liquidity management framework, the Group's risk tolerance capability, its risk policies and standards, and relevant risk limits, including the parameters used and the methodology adopted, and the processes used for identifying and assessing risks;
- (ii) to approve risk policies and standards, referring any new material policies/standards or material changes to existing policies/standards/limits to the Board for approval;
- (iii) to discuss the risk management system with the management and ensure that the management has performed its duties to establish an effective system. The contents to be discussed include the Company's resources for risk management, adequacy of qualifications and experiences of the employees, as well as adequacy of training courses and relevant budgets available to the employees;
- (iv) to review material risk exposures of the Group, including market, credit, insurance, operational, liquidity, and economic and regulatory capital risks against the Group's risk measurement methodologies and management actions to monitor and control such exposures;

於上市日期起直至本年報日期止期間，薪酬委員會舉行兩次會議，討論、檢討及就本公司個別執行董事及高級管理層的薪酬待遇向董事會提出推薦建議。

本公司將遵守企業管治守則，自截至二零一九年三月三十一日止年度起每年至少舉行一次薪酬委員會會議。

### 董事及高級管理層的薪酬

於有關期間，董事及五名最高薪酬人士的薪酬詳情載列於綜合財務報表附註8。根據企業管治守則守則條文第B.1.5條，其詳細資料載於截至二零一八年三月三十一日止年度的本年報「董事及高級管理層」一節的高級管理層成員(包括公司秘書、董事除外)按薪酬組別劃分的薪酬載列如下：

### 風險管理委員會

風險管理委員會由五名成員組成，即羅永志先生(主席)、陳澤麟先生、劉安國先生、陸季農先生及陸彥彰先生。

風險管理委員會的主要職責包括以下方面：

- (i) 檢討本集團的風險管理系統，包括風險、資本及流動資金管理框架，本集團的風險承受能力，風險政策及標準和相關風險限制，包括所用參數、所採納的方法及用於識別及評估風險的程序；
- (ii) 批准風險政策及標準，向董事會提交任何重大新政策／標準或現有政策／標準／限制的重大變動，以供審批；
- (iii) 與管理層討論風險管理系統，確保管理層已履行職責以建立有效的系統。討論內容應包括公司在風險管理職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足；
- (iv) 根據本集團風險計量方法及管理層行動檢討本集團的重大風險狀況，包括市場、信貸、保險、營運、流動資金及經濟及監管資本風險，以監督及控制該等風險；

# Corporate Governance Report

## 企業管治報告

(v) to review annually the changes, since the last annual review, in the nature and extent of significant risks, and the issuer's ability to respond to changes in its business and the external environment; and

(vi) to review annually the effectiveness of the issuer's processes for financial reporting and compliance of the Listing Rules.

The written terms of reference of the Risk Management Committee are available on the websites of the Stock Exchange and the Company.

The Risk Management Committee had one meeting during the Relevant Period.

During the period from the Listing Date up to the date of this annual report, the Risk Management Committee had two meetings to discuss and review risk management policy, internal control manual, internal audit plan, internal audit report, risk management and internal control systems.

### ATTENDANCE OF DIRECTORS AT VARIOUS BOARD COMMITTEES MEETINGS

Directors	董事	Number of meetings attended/held			
		Audit Committee Meeting 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Risk Management Committee Meeting 風險管理委員會會議
<b>Executive Directors</b>		<b>執行董事</b>			
Mr. LUK Kam Ming	陸鑑明先生	-	1/1	1/1	-
Mr. CHAN Chak Lun Philip	陳澤麟先生	-	-	-	1/1
Mr. LUK Kwai Lung	陸季農先生	-	-	-	1/1
Mr. LUK Yin Cheung	陸彥彰先生	-	-	-	1/1
<b>Independent Non-Executive Directors</b>		<b>獨立非執行董事</b>			
Mr. LAU On Kwok	劉安國先生	2/2	-	1/1	1/1
Mr. LAU Wing Chi Stephen	羅永志先生	2/2	1/1	-	1/1
Dr. TSE Chi Kong	謝智剛博士	1/2	1/1	1/1	-

### DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 March 2018 which give a true and fair view of the affairs of the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Group's performance, positions and prospects.

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.

The statement by the Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the independent auditor's report on page 64 of this annual report.

(v) 每年檢討自上上年度檢討起重大風險性質及程度的變動，及發行人應對其業務及外部環境變動的能力；及

(vi) 每年檢討發行人進行財務申報及遵守上市規則的程序效用。

風險管理委員會的書面職權範圍於聯交所及本公司網站可供查閱。

風險管理委員會於有關期間內舉行一次會議。

於上市日期起直至本年報日期止期間，風險管理委員會舉行兩次會議，討論及審閱風險管理政策、內部監控手冊、內部審核計劃、內部審核報告、風險管理及內部監控制度。

### 董事出席各董事委員會會議的情況

### 董事就財務報表的財務申報責任

董事確認彼等編製截至二零一八年三月三十一日止年度的財務報表的責任，該報表真實公平地反映本集團的事務以及本集團業績及現金流量。

管理層已向董事會提供必要的解釋及資料，以使董事會對獲提呈待審批的本公司財務報表作出知情評估。本公司向董事會全體成員提供有關本集團表現、狀況及前景的月度更新資料。

董事會並不知悉任何有關可能對本集團按持續基準繼續經營的能力構成重大質疑的事件或情況的任何重大不明朗因素。

核數師就其對本公司綜合財務報表的申報責任的聲明載於本年報第64頁獨立核數師報告內。

# Corporate Governance Report

## 企業管治報告

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is its responsibility to ensure that the Company establishes and maintains sound risk management and internal control systems within the Group and to review the effectiveness of the systems. Such systems are designed to manage and mitigate risks inherent in the Group's business faced by the Group to an acceptable level, but not eliminating the risk of failure to achieve business objectives, and can only provide reasonable assurance against material misstatement, loss or fraud.

The Board has entrusted the Risk Management Committee with the responsibility to oversee the risk management and internal control systems of the Group on an on-going basis and to review the effectiveness of the systems annually. The annual review covered all material controls, including financial, operational and compliance controls.

Under the Company's risk management and internal control structure, the management is responsible for the design, implementation and maintenance of risk management and internal control systems to ensure, amongst others, (i) appropriate policies and control procedures have been designed and established to safeguard the Group's assets against improper use or disposal; (ii) relevant laws, rules and regulations are adhered to and complied with; (iii) the effectiveness and efficiency of operations; and (iv) that reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements.

The main features of risk management and internal control structure of the Company are as follows:

- Heads of each operation unit or department manage major risks affecting the Group's businesses and operations through the processes of risk identification, risk assessment and implementation of risk mitigation measures in accordance with the internal guidelines approved by the Board and the Risk Management Committee;
- The management ensures appropriate actions are taken on major risks affecting the Group's businesses and operations; and
- Internal audit function provides independent assurance to the Board, the Risk Management Committee and the management concerning the effectiveness of risk management and internal control systems.

During the year ended 31 March 2018, major works performed by the management in relation to risk management and internal control include the following:

- Established enterprise risk management ("ERM") framework; developed risk policy and inventory, developed risk assessment criteria and performed enterprise risk assessment through interviews and workshops;
- Conducted an annual review on effectiveness of the risk management and internal control systems of the Group, covering all material controls including financial, operational and compliance controls;

### 風險管理及內部監控

董事會確認其須負責確保本公司設立及維持本集團內穩健的風險管理及內部監控系統，並檢討該等系統的成效。該等系統旨在管理本集團所面臨其業務中的固有風險，並將其緩解至可接受水平，而非消除未能達致業務目標的風險，且僅可就重大錯誤陳述、損失或欺詐提供合理保證。

董事會已將持續監察本集團風險管理及內部監控系統以及每年檢討該等系統成效的責任交託予風險管理委員會執行。年度檢討涵蓋所有重大監控，包括財務、營運及合規監控等。

根據本公司的風險管理及內部監控架構，管理層負責設計、執行及維持風險管理及內部監控系統，以確保(其中包括)(i)已設計及確立適當的政策及監控程序，以保障本集團資產不會遭不當使用或處置；(ii)依循及遵守相關法例、規則及規例；(iii)經營的效果及效率；及(iv)根據相關會計準則及監管申報規定保持可靠的財務及會計記錄。

本公司風險管理及內部監控架構的主要特點如下：

- 各營運組別或部門的主管根據董事會及風險管理委員會批准的內部指引，透過風險識別、風險評估及實施風險緩解措施的過程去管理本集團業務及營運的主要風險；
- 管理層確保已就影響本集團業務及營運的重大風險採取合適的行動；及
- 內部審核功能就風險管理及內部監控系統的成效向董事會、風險管理委員會及管理層提供獨立保證。

於截至二零一八年三月三十一日止年度，管理層就風險管理及內部監控進行的主要工作包括以下各項：

- 成立企業風險管理(「企業風險管理」)框架、制訂風險政策及庫存、制定風險評估標準及透過訪談及工作坊進行企業風險評估；
- 對本集團風險管理及內部監控制度有效性進行年度檢討，涵蓋所有重大監控，包括財務、經營及合規監控；

# Corporate Governance Report

## 企業管治報告

- Reported the results of the risk assessment and internal audit to the Risk Management Committee and the Board.

Based on the findings of the internal audit and the comments of the Risk Management Committee, the Board considered that the risk management and internal control systems are effective and adequate.

The Group has established procedures and internal controls for handling and dissemination of inside information. The Group has reminded the employees about due compliance with the policy regarding the inside information.

### AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the Auditor to the Group during the Relevant Period was approximately as follows:

Type of Services 服務類型		Amount (HK\$'000) 金額(千港元)
Audit services	審核服務	1,100
Services for acting as reporting accountant for the Listing	就上市擔任申報會計師的服務	3,150
Non-audit services (note 1)	非審核服務(附註1)	470

Note 1: For the year ended 31 March 2018, the Group has engaged the Auditor and their affiliate companies to provide non-audit services which include (i) review of the Group's interim financial statements; (ii) tax service; (iii) audit of retirement scheme; and (iv) enterprise risk consultancy service.

### COMPANY SECRETARY

Ms. WOO Siu Wai, the company secretary of the Company, is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed.

During the Relevant Period, Ms. WOO have undertaken not less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

### COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The general meetings of the Company provides opportunity for the Shareholders to communicate directly with the Directors. The chairman of the Company and the chairmen of the Board Committees will attend the annual general meetings to answer Shareholders' questions. The Auditor will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

- 向風險管理委員會及董事會報告風險評估及內部審核的結果。

根據內部審核的發現及風險管理委員會的評論，董事會認為，風險管理及內部監控制度屬有效及充足。

本集團已為處理及發放內幕消息設立程序及內部監控。本集團已提醒僱員嚴格遵守有關內幕消息的政策。

### 核數師薪酬

於有關期間，核數師向本集團提供的審核及非審核服務的薪酬概述如下：

附註1：截至二零一八年三月三十一日止年度，本集團已委聘核數師及其聯屬公司提供非核數服務，包括(i)審閱本集團中期財務報表；(ii)稅項服務；(iii)退休計劃審核；及(iv)企業風險諮詢服務。

### 公司秘書

本公司的公司秘書胡劭卉女士負責就企業管治事宜向董事會提供意見，並確保遵守董事會政策及程序以及適用法例、規則及規例。

於有關期間，胡女士已根據GEM上市規則第5.15條參與不少於15小時的相關專業培訓。

### 與股東的溝通及投資者關係

本公司認為與股東有效溝通對加強投資者關係以及讓投資者更了解本集團的業務、表現及戰略甚為重要。本公司亦認同及時及不經篩選地披露資料的重要性，此有助股東及投資者作出知情投資決定。

本公司的股東大會向股東提供與董事直接溝通的機會。本公司主席及各董事委員會主席將出席股東週年大會，回答股東的提問。核數師亦將出席股東週年大會，回答有關審核工作、編製核數師報告及其內容、會計政策以及核數師的獨立性等問題。

# Corporate Governance Report

## 企業管治報告

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at [www.kml.com.hk](http://www.kml.com.hk), where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

### SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the GEM Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

#### Convening of extraordinary general meeting and putting forward proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Any one or more members holding as at date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or company secretary of the Company, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

#### Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the headquarters of the Company at B12, G/F, Shatin Industrial Centre, Siu Lek Yuen Road, Shatin, New Territories, Hong Kong.

### CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company has adopted an Amended and Restated Memorandum and Articles of Association pursuant to written resolutions passed by all Shareholders on 20 September 2017 when preparing for the listing of the shares of the Company on the Stock Exchange. The Amended and Restated Memorandum and Articles of Association became effective on the Listing Date. An up-to-date version of the Company's Memorandum and Articles of Association is available on the websites of the Company and the Stock Exchange.

為促進有效的溝通，本公司採納股東通訊政策，旨在建立本公司與其股東之間的雙向關係及溝通，並設有公司網站([www.kml.com.hk](http://www.kml.com.hk))，以刊登有關本公司業務營運及發展的最新資料、財務資料、企業管治常規及其他資料，以供公眾人士獲取。

### 股東權益

為保障股東利益及權利，本公司將於股東大會上就各項事宜(包括個別董事的選舉)提呈獨立決議案。

於股東大會上提呈的所有決議案將根據GEM上市規則以投票方式表決，投票結果將於各股東大會舉行後及時於本公司及聯交所網站刊登。

#### 召開股東特別大會及提呈建議

股東可根據組織章程細則向本公司股東大會提呈建議以供考慮。於遞交要求當日持有不少於本公司十分之一附有權利可於本公司股東大會上投票的繳足股本的任何一名或以上股東應一直有權透過向董事會或本公司的公司秘書遞交書面要求後，要求董事會召開本公司股東特別大會，以處理有關要求所列明的任何事項。有關大會須於遞交有關要求後兩個月內舉行。倘於遞交有關要求後21天內董事會未能著手召開有關大會，則要求人士本身可按相同方式自行召開有關大會，而有關要求人士因董事會未能召開大會而產生的所有合理費用應由本公司向有關要求人士進行償付。

關於建議一名人士參選董事的事宜，可於本公司網站查閱有關程序。

#### 向董事會提出查詢

股東如欲向董事會提出有關本公司的查詢，可將有關查詢寄至本公司總部(地址為香港新界沙田小瀝源路沙田工業中心地下B12室)。

#### 更改組織章程文件

根據全體董事籌備本公司股份於聯交所上市時於二零一七年九月二十日通過的書面決議案，本公司已採納經修訂及經重列的組織章程大綱及細則。經修訂及經重列的組織章程大綱及細則於上市日期生效。本公司組織章程大綱及細則的最新版本於本公司及聯交所的網站可供查閱。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### ABOUT THIS REPORT

#### Reporting Period

This is the Group's first environmental, social and governance ("ESG") Report, which provides a comprehensive account of the Group's environmental and social related key policies, measures and performance for the year ended 31 March 2018 ("the Reporting Period").

#### Reporting Framework

The report is prepared in accordance with the Appendix 20 – Environmental, Social and Governance Reporting Guide ("ESG Guide") under the GEM Listing Rules. Information regarding the Group's corporate governance is addressed in the annual report in accordance with Appendix 15 to the GEM Listing Rules.

#### Reporting Scope

This report covers the Group's principal business and operations in Hong Kong including the provision of E&M engineering solutions and services, E&M engineering design and fabrication services and E&M engineering maintenance services, unless otherwise specified.

#### Integrating Stakeholders' Expectation

This report is based on material issues that reflect the Group's significant business, environmental, and social impacts, and may substantively influence the assessments and decisions of stakeholders (shareholders, employees, customers, partners, subcontractors, suppliers, community, non-governmental organisations, government departments). The Group has developed effective internal and external communication channels, such as regular and ad-hoc meetings, interim and quarterly results announcements, the Group's website, instant communication applications, briefings, training and workshops, staff performance appraisal, to integrate stakeholders' feedbacks into its management system for improving its corporate governance as well as its sustainability management approach and performance.

The table below highlights the ESG issues considered to be material to the Group:

### 關於本報告

#### 報告期間

本報告為本集團的首份環境、社會及管治（「環境、社會及管治」）報告，提供本集團於截至二零一八年三月三十一日止年度（「報告期間」）的環境及社會相關主要政策、措施及表現。

#### 報告框架

本報告乃根據GEM上市規則附錄二十 – 環境、社會及管治報告指引（「環境、社會及管治指引」）編製。根據GEM上市規則附錄十五，有關本集團的企業管治報告資料於年報內刊載。

#### 報告範圍

除另有說明外，本報告涵蓋本集團的主要業務及營運，包括提供機電工程解決方案及服務、機電工程設計及裝配服務以及機電工程保養服務。

#### 結合持份者的期望

本報告以反映本集團重大商業、環境及社會影響的重要議題為基礎，而重要議題可能會對持份者（股東、僱員、客戶、夥伴、分包商、供應商、社區、非政府機構、政府部門）的評估及決策產生顯著影響。本集團已制定有效的內部及外界溝通渠道，如定期及臨時會議、中期及季度業績公告、本集團網站、即時通訊應用程式、簡報、培訓及工作坊、員工表現評估，以結合持份者的反饋至管理系統，藉此提升企業管治水平及可持續發展的管理方針及表現。

下表概述對本集團而言至關重要的環境、社會及管治議題：

ESG aspects as set out in ESG Guide 環境、社會及管治指引所載的環境、社會及管治方面		Material ESG issues of the Group 本集團的重大環境、社會及管治議題	
A.	Environmental 環境	A1	Emissions 排放物
		A2	Use of Resources 資源使用
		A3	The Environment and Natural Resources 環境及天然資源
			<ul style="list-style-type: none"><li>• Construction waste management 建築廢物管理</li><li>• Energy consumption 能源消耗</li><li>• Noise management 噪音管理</li></ul>

# Environmental, Social and Governance Report

## 環境、社會及管治報告

ESG aspects as set out in ESG Guide 環境、社會及管治指引所載的環境、社會及管治方面		Material ESG issues of the Group 本集團的重大環境、社會及管治議題
B. Social 社會	B1 Employment 僱傭	<ul style="list-style-type: none"> <li>• Employment practices 僱員常規</li> <li>• Compensation and benefits 薪酬和福利</li> </ul>
	B2 Health and safety 健康與安全	<ul style="list-style-type: none"> <li>• Occupational health and safety 職業健康與安全</li> <li>• Work environment 工作環境</li> </ul>
	B3 Development and training 發展及培訓	<ul style="list-style-type: none"> <li>• Training and development for employees 僱員培訓及發展</li> </ul>
	B4 Labour standards 勞工準則	<ul style="list-style-type: none"> <li>• Anti-child and forced labour 反童工及強制勞工</li> </ul>
	B5 Supply chain management 供應鏈管理	<ul style="list-style-type: none"> <li>• Supply chain practices 供應鏈慣例</li> </ul>
	B6 Product responsibility 產品責任	<ul style="list-style-type: none"> <li>• Quality management 質量管理</li> <li>• Personal data privacy 個人資料私隱</li> </ul>
	B7 Anti-corruption 反貪污	<ul style="list-style-type: none"> <li>• Corporate integrity 企業廉潔</li> <li>• Whistle-blowing mechanism 舉報機制</li> </ul>
	B8 Community investment 社區投資	<ul style="list-style-type: none"> <li>• Corporate social responsibility 企業社會責任</li> </ul>

### Feedback

Comments and suggestions regarding the Group's ESG performance are always welcome and can be sent to the Group at [kmlinfo@kml.com.hk](mailto:kmlinfo@kml.com.hk). We value your feedback on our ESG Report. Your valuable feedback would greatly help us continuously improve our sustainable performance.

### 反饋意見

倘對本集團的環境、社會及管治表現有任何意見及建議，歡迎電郵至 [kmlinfo@kml.com.hk](mailto:kmlinfo@kml.com.hk) 向本集團提出。我們重視閣下就本集團的環境、社會及管治報告提出的反饋意見。閣下的寶貴反饋意見對我們持續提升可持續表現有莫大助益。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### ENVIRONMENTAL PERFORMANCE

#### Environmental Policy and Compliance

Being a responsible engineering contractor, the Group recognises that all the employees have the social obligation to preserve and enhance the quality of the environment that we live in. We strive to protect the environment in the course of the business activities on preventing pollution, reducing adverse impact on climate change and enhancing sustainable development.

In this connection, we have formulated an environmental policy to demonstrate our commitment to:

- (i) establishing, implementing and maintaining an effective environmental management system with reference to the International Organization for Standardization ("ISO") requirements (i.e. ISO 14001:2015 Environmental management systems – Requirements with guidance for use) and integrated into the Group's business strategy;
- (ii) fully complying with the environmental related ordinances, regulations and codes of practice and meet the customer's requirements; and
- (iii) effectively conserving the use of resources and minimizing waste generation.

During the Reporting Period, the Group had complied with all relevant requirements including the Air Pollution Control Ordinance, Air Pollution Control (Construction Dust) Regulation, Motor Vehicle Idling (Fixed Penalty) Ordinance, Waste Disposal (Chemical Waste) (General) Regulation of Waste Disposal Ordinance, Waste Disposal (Charges for Disposal of Construction Waste) Regulation, Noise Control Ordinance, Noise Control (General) Regulation and Noise Control (Hand Held Percussive Breakers) Regulations.

#### Air and Greenhouse Gas Emissions

There are two major sources of air and greenhouse gases ("GHG") emissions during our business activities, namely (i) use of electricity in head offices; and (ii) consumption of fuels in vehicles for delivering materials from the warehouses to project sites. The Group supports the use of more environmental-friendly fuels and has been closely monitoring the fuel consumption as well as the vehicle usage. Regarding the reduction initiatives of electricity, please refer to section headed "Electricity" in this ESG Report.

The following table highlights the air emission data of the Group.

#### Type of air emission

##### 廢氣排放類別

Nitrogen oxides ("NO <sub>x</sub> ")	氮氧化合物 ("NO <sub>x</sub> ")
Sulphur oxides ("SO <sub>x</sub> ")	硫氧化物 ("SO <sub>x</sub> ")
Particulate Matter ("PM")	懸浮粒子或顆粒 ("PM")

### 環境表現

#### 環境政策及合規

作為一名負責任的工程承包商，本集團充份了解所有僱員均有保護及提高我們所生活環境質素的社會責任。我們在業務活動過程中致力於保護環境，預防污染、降低對氣候變化的不利影響及增強可持續發展。

就此而言，我們已制定環境政策以表明我們承諾：

- (i) 參考國際標準化組織 ("ISO") 規定 (即 ISO 14001:2015 環境管理體系—要求及使用指南) 的要求制定、執行及維持有效的環境管理系統，並將其納入本集團的業務策略內；
- (ii) 全面遵守環境相關條例、法規及守則，並滿足客戶要求；及
- (iii) 有效使用資源，盡量減少廢物產生。

於報告期間，本集團已遵守所有相關規定，包括空氣污染管制條例、空氣污染管制 (建造工程塵埃) 規例、汽車引擎空轉 (定額罰款) 條例、廢物處置條例的廢物處置 (化學廢物) (一般) 規例、廢物處置 (建築廢物處置收費) 規例、噪音管制條例、噪音管制 (一般) 規例及噪音管制 (手提撞擊式破碎機) 規例。

#### 廢氣及溫室氣體排放

於我們的業務活動中，廢氣及溫室氣體 ("溫室氣體") 排放有兩大來源，即 (i) 總辦事處用電；及 (ii) 將材料從倉庫運送至項目地盤而引致的汽車燃料消耗。本集團支持使用更加環保的燃料，並已密切監察燃料消耗以及汽車使用。有關降低用電措施，請參閱本環境、社會及管治報告電力一節。

下表概述本集團的廢氣排放數據。

Amount  
(in kilograms ("kg"))  
排放量  
(公斤)

Nitrogen oxides ("NO <sub>x</sub> ")	氮氧化合物 ("NO <sub>x</sub> ")	72.09
Sulphur oxides ("SO <sub>x</sub> ")	硫氧化物 ("SO <sub>x</sub> ")	0.37
Particulate Matter ("PM")	懸浮粒子或顆粒 ("PM")	6.47

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The following table highlights the GHG emission data, in tonnes in terms of carbon dioxide equivalent ("tCO<sub>2</sub>-eq"), of the Group.

下表概述本集團的溫室氣體排放數據(以噸計的二氧化碳當量(「二氧化碳當量」))。

Scope 範圍	Sources of emission 排放來源	Amount (in tCO <sub>2</sub> -eq) 排放量 (以噸二氧化碳當量計)
1. Direct emissions 直接排放	Combustion of stationary sources 固定燃燒源	0.36
	Combustion of mobile sources 流動燃燒源	66.24
	Unintentional releases (Note 1) 無意的排放(附註1)	7.95
2. Energy indirect emissions 能源間接排放	Purchased electricity in offices 辦公室購買電力	138.12
3. Other indirect emissions (Note 2) 其他間接排放(附註2)	Business travel 差旅	2.64
Total GHG Emission	溫室氣體排放總量	215.31
Total GHG Intensity (Note 3)	溫室氣體總密度(附註3)	0.98

Note 1: The unintentional releases are mainly due to the uses of air conditioning equipment in the head offices.

附註1: 無意釋放主要是由於總部使用空調設備。

Note 2: The Group chose to disclose the emissions associated with business air travel as there are negligible emissions due to disposal of paper waste, electricity used for fresh water processing and sewage processing.

附註2: 本集團選擇披露與商務差旅有關的排放, 乃因處置廢紙、淡水處理及污水處理所用電力的排放甚微。

Note 3: Intensity is calculated based on the amount of the GHG emission divided by the average number of full-time employees ("FTE") during the Reporting Period.

附註3: 密度乃根據溫室氣體排放量除以報告期間全職僱員(「全職僱員」)的平均數目。

### Waste Management

The Group upholds environmentally friendly manner in managing waste within its business operations. We promote and support 8R principles, i.e. "Reduce, Reuse, Recycle, Responsibility, Replace, Repair, Respect, Rethink", to minimize waste generation at source.

### 廢物管理

本集團於其業務營運中處理廢物時一直秉承環保方式。我們推動及支持8R原則, 即「減少使用、物盡其用、循環再造、環保責任、替代使用、修復再用、尊重環境、重新思考」, 以從源頭減少廢物產生。

During the course of our operations, chemical wastes including surplus paint, spent mineral oil and waste batteries/unwanted printed circuit boards, are the only type of hazardous wastes which would be generated. Being a registered waste producer under the Waste Disposal (Chemical Waste) (General) Regulation of Waste Disposal Ordinance, we ensure the chemical wastes have been properly labelled, packaged, stored temporarily at a designated chemical waste storage area prior to their collection by licensed waste recyclers and collectors for disposal.

於營運過程中, 化學廢物包括剩餘油漆、廢礦物油及廢電池/多餘的印刷電路板是我們產生的唯一一類有害廢物。作為廢物處置條例的廢物處置(化學廢物)(一般)規例下的登記廢物生產者, 我們確保化學廢物已適當張貼標識、包裝, 臨時存放於指定化學廢棄物處理區域內, 以待持牌廢物回收商和收集商收集處理。

The amount of chemical wastes generated by the Group during the Reporting Period is tabulated below:

本集團於報告期間產生的化學廢物重量列表如下:

Type of chemical wastes 化學廢物類別	Amount (in kg) 重量(按公斤計)	
Surplus paint	剩餘油漆	1,900
Spent mineral oil	廢礦物油	0
Waste batteries/Unwanted printed circuit boards	廢電池/多餘的印刷電路板	0
Total hazardous waste	有害廢物總量	1,900
Total hazardous waste Intensity	有害廢物總密度	8.63

Note 1: Intensity is calculated based on the amount of the total hazardous waste divided by the average number of FTE during the Reporting Period.

附註1: 密度乃根據有害廢物總量除以報告期間全職僱員的平均數目。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Regarding non-hazardous wastes, two major sources identified are:

- (i) construction wastes generated in the project sites are sent to waste disposal facilities under the Construction Waste Disposal Charging Scheme of Waste Disposal (Charges for Disposal of Construction Waste) Regulation; and
- (ii) residential/domestic wastes generated from daily activities in our head offices are disposed by the building management.

The Group currently does not report on the total non-hazardous waste produced and intensity. We plan to disclose the information in the future. During the Reporting Period, it was recorded that a total of 68.49 tonnes construction wastes were ultimately transported to landfill.

The Group continues to implement the following initiatives to reduce waste production. Examples include:

- (i) incorporate waste reduction ideas in staff induction trainings;
- (ii) encourage staff to think before print, adopt double-side printing;
- (iii) re-use stationery supplies such as envelope and document folders;
- (iv) re-use single-sided printed papers;
- (v) re-use the packaging materials, such as paper boxes to protect and support its products in the warehouse; and
- (vi) provide recycle facilities/allocated a designated area in office to encourage sorting and recycling of useful materials.

The Waste reduction effort by KML Engineering is recognised by Hong Kong Awards for Environmental Excellence. KML Engineering has been awarded “Class of Excellence” WastewiSe Certificate since year 2013.

During the Reporting Period, we have installed automatic hand dryers in the washrooms and it was noted that a significant reduction approximately of 40% on the use of M-fold paper hand towel compared with previous corresponding period.

有關無害廢物，已識別的兩大來源為：

- (i) 項目地盤產生的建築廢物根據廢物處置（建築廢物處置收費）規例的建築廢物處置收費計劃下送往廢物處置設施；及
- (ii) 總辦事處日常活動產生的住宅／室內廢物由大廈管理部門處置。

本集團目前並無報告所產生無害廢物總量及密度。我們計劃日後披露有關資料。於報告期間內，最終運送至填堆區的建築廢物合共錄得68.49噸。

本集團繼續實施以下措施以減少廢物產生。示例包括：

- (i) 將減少廢物的概念納入至員工就職培訓中；
- (ii) 鼓勵員工於打印前思考一下，採納雙面打印；
- (iii) 重新使用文具用品，如信封及文件夾；
- (iv) 重新使用單面打印的紙張；
- (v) 重新使用包裝材料，如於倉庫內重新使用紙盒保護及支撐其產品；及
- (vi) 於辦公室內提供回收設施／分配指定區域以鼓勵可使用材料的分類及回收。

高明科技工程的減少廢物的努力獲得香港環境卓越大獎的認可。高明科技工程自二零一三年起榮獲「卓越級別」減廢標誌。

於報告期間，我們已於洗手間安裝自動乾手機，並留意到擦手紙巾用量較去年同期大幅減少約40%。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Uses of Resources

#### Electricity

The Group strives to reduce its resources consumption mainly electricity, thereby reducing costs and promoting the long-term environmental and economic sustainability of its operations.

During the Reporting Period, the Group consumed certain amount of energies, in kilowatt hour ("kWh") or litres ("L"), as stated below:

Type of energy 能源類別	Amount (Unit) 量(單位)	Intensity (Unit) 密度(單位)
1. Direct energy consumption 直接能源消耗	L 升	L (Note 1) 升(附註1)
Diesel 柴油	5,734	13.03
Unleaded petrol 無鉛汽油	18,669	7.45
2. Indirect energy consumption 間接能源消耗	kWh 度	kWh (Note 2) 度(附註2)
Electricity 電力	270,820	1230.54

Note 1: Intensity is calculated based on the amount of direct energy consumption divided by the average number of vehicles and the average number of FTE during the Reporting Period.

Note 2: Intensity is calculated based on the amount of the indirect energy consumption divided by the average number of FTE during the Reporting Period.

In an effort to reduce electricity consumption, the Group has adopted multiple practices for such purpose. Examples include:

- to promote electricity saving measures in staff induction trainings;
- to set up independent switches to control different areas of lighting and air-conditioning to allow partial operations in the office;
- to switch off the machineries/electrical appliances when they are not in use; and
- to switch photocopiers into sleeping mode when they are idle.

During the Reporting Period, the Group has participated in Earth Hour 2018 and committed to saving our Earth by making a difference to save energy, change climate change and protect our biodiversity.

#### Water

The majority of our water consumption are arisen from the daily activities in our head office. The Group does not have any difficulty in sourcing water. During the Reporting Period, the amount of water consumption is negligible to be reported. Despite of the insignificant water consumption, the Group has actively strived for improving our water efficiency. Apart from a regular monitoring on water usage, together with continuous water conservation education via employee induction and signage posting, we had installed dual flush water closets and replaced some traditional faucets with motion sensing faucets in the washrooms during the Reporting Period.

#### Total Packaging Material Used for Finished Products

The packaging materials, such as plastic wrapping, bubble sheet/cushion wrap and carton boxes, used for the finished products were negligible to be reported.

### 資源使用

#### 電力

本集團主要致力於減少電力資源的消耗，從而降低成本並促進其長遠營運環境和經濟的可持續性。

於報告期間，本集團消耗若干以千瓦時(「度」)或公升(「升」)計的能源，載述如下：

Amount (Unit) 量(單位)	Intensity (Unit) 密度(單位)
L 升	L (Note 1) 升(附註1)
5,734	13.03
18,669	7.45
kWh 度	kWh (Note 2) 度(附註2)
270,820	1230.54

附註1：密度乃根據直接能源消耗量除以報告期間汽車平均數目及全職僱員的平均數目。

附註2：密度乃根據間接能源消耗量除以報告期間全職僱員的平均數目。

為減少電力消耗，本集團已為此採納多項措施以達致該目的。示例包括：

- 於員工就職培訓中推廣節省用電措施；
- 設立獨立開關控制不同區域的燈及空調，允許辦公室部分運作；
- 當不使用機器／電器裝置時將其關掉；及
- 當不用影印機時將其設置為睡眠狀態。

於報告期間，本集團已參與二零一八年地球一小時，並承諾在節省能源、應對氣候變化及保護生物多樣性以保護我們的地球。

#### 水

我們的大部分水消耗來自總辦事處的日常活動。於報告期間，水消耗量甚少，不足以報告。本集團在求取適用水源上並沒有任何困難。儘管水消耗甚微，本集團積極致力於提高我們的用水效率。除定期監測用水量外，還通過僱員就職培訓和張貼標誌進行節水教育。於報告期間內，我們在洗手間內已安裝雙沖水馬桶，並以感應水龍頭替代傳統水龍頭。

#### 製成品所使用包裝材料總額

用於製成品的包裝材料(如塑料包裝、氣泡紙／緩衝包裝及紙箱)用量不足以報告。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### The Environment and Natural Resources

Apart from aforementioned environmental aspects identified, there was no other significant environmental impact, except noise generation during loading/unloading materials or the use of powered mechanical equipment for drilling/concrete breaking.

The Group has established and implemented various noise mitigation measures to minimize any adverse impacts on the environment and the public. Examples include:

- (i) strategic planning of work to minimize the frequency of noise generating activities;
- (ii) strategic scheduling of work to minimize high noise level activities during noise sensitive hours;
- (iii) choose quiet and low-noise level powered mechanical equipment; and
- (iv) adopt acoustic enclosures where necessary.

### SOCIAL PERFORMANCE

#### Employment Policy and Compliance

The Group is dedicated to fair and equal treatment in all areas of human resources management, including recruitment, training and promotion, compensation and dismissal, working hours, diversity and other benefits and welfare.

In terms of recruitment, we value diversity in its workforce, hence the Group recruits people solely based on their ability and attitude, regardless of their gender, race, disability. The Group has a code of business conduct (the "Code"), in relation to prevent age, disability, sex and family status discrimination and sexual harassment, which clearly mentioned a disciplinary action would be taken against the staff if violation is discovered.

The Group recognises that its success relies much on the contribution of all employees; therefore, it rewards its employees with competitive salary package, which is subjected to annual review with reference to comparable market level. Apart from basic salary, employees are also offered discretionary bonus based on their individual performance and our financial performance.

Our employees are entitled to have sick leave, injury leave, maternity leave and paternity leave. Other benefits, such as medical and hospitalisation insurance, life insurance and education and training sponsorship, marriage leave and compassionate leave are offered for eligible staff. Additionally, team building activities, such as local tour, Christmas party and annual dinner to enhance employees' sense of belongings, have been organized annually.

During the Reporting Period, KML Engineering has been awarded its first "10 Years Plus Caring Company Logo" from the Hong Kong Council of Social Service; and is honoured as a Good MPF Employer by the Mandatory Provident Fund Schemes Authority. Also, the Group has complied with all applicable laws and regulations relating to labour.

### 環境及天然資源

除上述所識別的環境方面外，並無其他重大環境影響，惟於裝載／卸載材料或使用動力機械設備進行鑽探／混凝土粉碎時產生的噪音除外。

本集團已制定及實施多項減低噪音措施，將對環境及公眾產生的不利影響降至最低。示例包括：

- (i) 對工作進行策略規劃，將產生噪音的活動頻率降低；
- (ii) 對工作進行策略計劃，於噪音敏感時段內減少噪音較大活動；
- (iii) 選擇安靜及噪音低的動力機械設備；及
- (iv) 於必要時採用隔音罩。

### 社會表現

#### 僱傭政策及合規

本集團致力於公正公平地處理人力資源管理所有方面的事宜，包括招聘、培訓、晉升、薪酬及解僱、工時、多元化及其他待遇及福利。

就招聘而言，我們重視勞動力的多元化，因而本集團僅根據不同人士的能力、態度，而非性別、種族及殘疾招聘員工。本集團具有一套業務行為守則（「守則」），就有關避免年齡、殘疾、性別及家庭狀況的歧視及性騷擾方面，明確闡述員工被發現違反時將採取的紀律處分。

本集團確認，其成功非常依賴所有僱員作出的貢獻；因此，其以具競爭力的薪資待遇獎勵僱員，有關薪資待遇將會每年參考可資比價市場水平進行檢討。除基本薪資外，本集團會依據僱員各自的個人表現及我們的財務表現向僱員提供酌情花紅。

僱員有權享有病假、工傷假、產假及陪產假。亦向合資格員工提供其他福利，如醫療及住院保險、人壽保險、教育及培訓贊助、婚假及恩恤假。此外，每年組織團隊建設活動，如本地旅遊、聖誕晚會及年度晚宴，以提高僱員的歸屬感。

於報告期間，高明科技工程榮獲其首個由香港社會服務聯會頒發的「10年Plus商界展關懷」標誌；並榮獲為強制性公積金計劃管理局評定的「積金好僱主」。此外，本集團已遵守有關勞工的所有適用法律及法規。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Safety and Health Policies and Compliance

Safety, health and loss prevention bring long term benefits to the company. They are equally important and complementary to sustainable development in quality and profit and therefore are taken as top priority commitment. We commit to strict compliance with all relevant safety and health regulatory requirements in our Safety, Health and Loss Prevention Policy. The policy is implemented and managed by the Safety and Health team, which is oversighted by a director.

Regarding project safety management, site surveys will be carried out in order to facilitate the identification, analysis and evaluation processes of the hazards if considered necessary. The method statements, safety management plan and risk assessment incorporating recommended control measures will then be generated for those high risk activities by adopting the hierarchy of risk control. Designated site supervisors are assigned to the projects for ensuring the works done in accordance with the safety and project requirements.

Safety training is a major preventive measure for addressing safety and health risks. In addition to induction training, specific training sessions and site-specific briefings are regularly held according to employees' roles and responsibilities to ensure awareness of job hazards and conformity to safety practices. Training contents are reviewed and reported to the management by the safety officer regularly.

Regular safety inspections and internal safety audits are carried out by safety officers and safety auditors in order to check the implementation of safety management practices to eliminate unsafe conditions and unsafe acts and the compliance of all relevant requirements. Any instances of non-compliance and accidents are recorded and are subject to investigation and corrective actions. Further inspection is undertaken to avoid recurrence. Significant non-compliance is communicated across the Group as a reminder to prevent similar cases from occurring again. Any employees or workers including those from subcontractors found to be deliberately and consistently in breach of regulations and instructions on safety and health may be subject to disciplinary actions.

During the Reporting Period, KML Engineering has been awarded the Bronze Award in the Occupational Safety and Health Council (the "OSHC") Construction Safety Promotional Campaign 2017 Competition of Best Safety Enhancement Program for Working at Height. The project team has contributed their greatest efforts to design of a new, one-molded, simple and lightweight temporary barrier which makes the installation process of metal scaffold efficient and in a safer manner. Also, a safe moment of KML Engineering two different project sites were commended by one of our key customers.

### 安全與健康政策及合規

安全、健康及損害預防為本公司帶來長期裨益。該等預防措施與質量及溢利的可持續發展同樣重要，並相輔相成，因而被視為首要承諾。我們致力於嚴格遵守我們的安全、健康及損失預防政策中的所有相關安全與健康監管規定。該政策由安全及健康團隊執行及管理，並由一名董事負責監督。

關於項目安全管理，有需要將進行現場勘測以便於危害識別，分析和評估。透過採納風險控制階層，將為高風險活動制定建議的控制措施議，並將該措施納入方法說明，安全管理計劃和風險評估內。為項目分派指定地盤主管，以確保按照安全和項目要求完成工程。

安全培訓為解決安全與健康風險的主要預防措施。除就職培訓外，根據僱員角色及職責定期進行具體培訓課程及針對地盤獨特性的簡報會，以確保對工作危險意識及遵守安全慣例。安全主任定期檢討培訓內容，並向管理層報告。

安全主任及安全審計員進行定期安全檢查及內部安全審計，以檢驗執行安全管理實踐，減少不安全狀況及不安全行為以及所有相關要求的符合性。任何違規及意外的情況均會記錄，且須進行調查及採取糾正行動。進行進一步檢驗以避免再次發生。重大違規事項將於本集團內部全面傳達，作為警戒，以避免類似事件再次發生。任何僱員或工人(包括被發現故意或持續違反有關安全及健康的法規及指示的分包商)可能被採取紀律行動。

於報告期間內，高明科技工程已榮獲職業安全健康局(「職業安全健康局」)建造業安全推廣活動2017年最佳高處工作安全改善計劃銅獎。項目團隊盡最大努力設計一個全新、一體成型、簡單且輕巧的臨時屏障，使建設金屬架的過程能以安全的方式高效進行。另外，高明科技工程於兩個不同項目地盤的安全作業獲得一名主要客戶的褒獎。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group's operations have complied with all relevant laws and regulations relating to workplace safety and health and the key safety performance are summarized as below:

本集團的營運已遵守所有有關工作場所安全及健康的相關法律及法規，主要安全表現於下文概述：

### Safety Performance

#### 安全表現

#### Data 數據

Work-related fatalities 與工作有關的死亡事故	Number of time(s) 宗數	0
Work-related fatalities Rate (per 1,000 employees) 與工作有關的死亡率(每1,000名僱員)		0.00%
Work-related fatalities Rate (per 100,000 man hours) 與工作有關的死亡率(每100,000工時)		0.00%
Lost days due to work-related injuries 由工傷所引致的工作天數損失	Number of days 日數	7
Work-related accidents 與工作有關的事故	Number of time(s) 宗數	2
Accident Rate (per 1,000 employees) 事故率(每1,000名僱員)		9.09%
Accident Rate (per 100,000 man hours) 事故率(每100,000工時)		0.41%

### Health Initiatives

For the sake of our employees' health, the Group has offered our employees free-of-charge influenza prevention vaccination annually since year 2010 and fruit weekly since year 2012. During the Reporting Period, we adopted two health-related suggestions: (i) to replace the microwave ovens with steam ovens; and (ii) to purchase LCD monitor racks for improving computer workstation.

### 健康行動

為了僱員的健康，本集團自二零一零年起每年為僱員提供免費流感預防疫苗接種，並自二零一二年起每星期為僱員提供水果。於報告期間，我們採納兩項健康相關建議：(i) 以蒸汽爐替代微波爐；及(ii) 購買液晶顯示器支架，以改善電腦工作間。

### Development and Training

The Group provides an open and friendly but challenging environment for all employees. Training budgets are planned annually in order to ensure adequate allocation of resources available for offering our employees with opportunities for developing their skills and competency through in house and external professional training.

### 發展及培訓

本集團為全體僱員提供開放及友好但充滿挑戰的環境。每年規劃培訓預算，以確保分配充足資源用於內部及外部培訓，且為僱員提供發展其技能及能力的機遇。

According to our training policies, management staffs evaluate and assess their subordinates' training needs regularly so that our employees can support their career enhancement in line with our business needs by acquiring the necessary skills, knowledge and qualifications.

根據我們的培訓政策，管理人員定期評估彼等下屬培訓需求，以使我們的僱員可透過獲得必要技能、知識及資格以支持其職業提升及配合與我們的業務需求。

During the Reporting Period, various in-house trainings have been conducted. Examples of in-house trainings highlighted as follows:

於報告期間，已進行多項內部培訓。內部培訓的例子於下文概述：

- (i) New employees induction trainings ;
- (ii) Safety and health awareness trainings ;
- (iii) Corporate governance and ESG briefings and workshops ;
- (iv) Permit-to-works systems trainings ; and
- (v) Consultancy coaching in relation to risk management and internal control, time management, project management, supply chain management and communication skills.

- (i) 新僱員就職培訓；
- (ii) 安全與健康意識培訓；
- (iii) 企業管治及環境、社會及管治簡報及工作坊；
- (iv) 工作許可證制度培訓；及
- (v) 有關風險管理及內部控制、時間管理、項目管理、供應鏈管理及溝通技巧的顧問指導。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Apart from the in-house trainings, the Group also offers a wide range of external training opportunities. Examples of training opportunities offered during the Reporting Period include, but are not limited to:

- (i) Internal control review;
- (ii) ISO 14001:2015 lead auditor trainings;
- (iii) Software trainings;
- (iv) Contract technology and management;
- (v) Safety-related courses organized by the OSHC;
- (vi) Safety and environmental supervisory or management courses; and
- (vii) Symposia, seminars and briefings organized by our customers, engineering institutes, management associations and ISO certification bodies.

### Labour Standards

The Group has a "Respect of Ethics, Human and Labour Rights Policy" which demonstrates our commitment to supporting and respecting the rights of individuals and working communities. We respect and observe all the applicable laws and regulations in the countries we operate and support the international principles of human and labour rights, including, but not limited to, the areas of child labour and forced labour, such as the International Labour Organization Declaration on Fundamental Principles and Rights at Work and the United Nations Global Compact.

The recruitment process is strictly abided by the guidelines of the Human Resource and Administration Department, a recruitment form is used to collect personal, educational, and employment information of job applicants, and as such all necessary data related to employment is verified and the proper and right candidate would be hired in accordance with the job requirement and candidates' expectation for a healthy and sustainable workforce.

During the Reporting Period, there is no child nor forced labour in the Group.

### Supply Chain Management

The Group recognises the positive influence we have on our suppliers and subcontractors, and therefore we continuously improve our performance by incorporating good corporate social responsibility practices into supply chain management processes and, as a result, mitigating and managing risks which might affect our operations.

The Group has maintained our own approved vendor list and updates the list regularly in order to maintain sufficient suppliers and sub-contractors for selection. As at 31 March, 2018, the Group has 484 suppliers, including 383 in Hong Kong, 55 in China and 46 in overseas countries.

除內部培訓外，本集團亦提供各種外部培訓機會。於報告期間所提供培訓機會案例包括但不限於：

- (i) 內部監控檢討；
- (ii) ISO 14001:2015 主稽核員培訓；
- (iii) 軟件培訓；
- (iv) 合同技術及管理；
- (v) 職業安全健康局組織的安全相關課程；
- (vi) 安全及環境督導或管理課程；及
- (vii) 由客戶、工程學院、管理學會及ISO認證機構組織的專題討論會、研討會及簡報會。

### 勞工準則

本集團設有「尊重道德、人權及勞工權利政策」，表明我們對支持及尊重個人及工作社區權利的承諾。我們尊重並遵守我們營運所在國家的所有適用法律及法規，並支持國際人權及勞工權利原則，包括但不限於童工及強迫勞動領域，如國際勞工組織的基本原則與權利宣言及聯合國全球契約。

招聘過程嚴格遵守人力資源和行政部的指引，使用招聘表格收集求職者的個人、教育及就業資料，以及核查所有與僱傭有關的必要數據並根據職位要求及候選人對健康及可持續勞動力的期望聘用合適的候選人。

於報告期間，本集團並無童工或強迫勞動。

### 供應鏈管理

本集團深知我們對供應商及分包商的積極影響，因此，我們通過將良好的企業社會責任實踐納入供應鏈管理流程來不斷提高績效，並因而減輕及管理可能影響我們業務的風險。

本集團已維持我們自己的核准供應商名單並定期更新名單以維持足夠供應商及分包商以供甄選。於二零一八年三月三十一日，本集團共有484名供應商，其中383名位於香港，55位於中國及46名位於海外國家。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

In our engineering projects, safety and environmental briefings are delivered by the safety officers to raise safety and environmental awareness and implement our safety and environmental management policy on the sub-contractor's level. The training information is recorded and reviewed by the internal auditors regularly. The quality, environmental, safety and health performance of sub-contractors are also evaluated as a part of our operational control as mentioned under section headed "Safety and Health Policies and Compliance" and section headed "Quality Management" in this ESG report.

In addition to the regular monitoring during the project implementation, performance reviews with regards to their quality, safety and environmental performance, are conducted on key approved vendors annually to minimise the associated risks in our supply chain.

### Product Responsibility

#### Quality Management

It is the policy of the Group, in executing operations at all time in such manner to ensure the customers' satisfaction and full compliance of statutory and other requirements in terms of quality, environment, health and safety in the projects. KML Engineering, has been qualified to ISO 9001:2015 for quality management since January 2017.

According to the Group's quality procedures, the Group's project management team will carry out regular quality check and inspection in order to ensure that works done by our employees and subcontractors conform to the contractual specifications during the course of implementation and execution of the project. Any product that has failed to meet the standards is rectified by its project team before its delivery to our customers. In the event of receiving complaint, we will take prompt actions to investigate the issue and carry out remediate action plans. Corrective and preventive measures will be followed to avoid re-occurrence.

Regularly progress meetings with our customers are conducted throughout the project cycle where our project managers will report the progress to the customer, discuss the major issues encountered and obtain customer's feedbacks. In addition, we proactively seek feedback from our customers by conducting satisfaction surveys among customers at the end of projects, thereby contributing into continual improvements. For maintenance projects, the Group collects their feedbacks and records any suggestions or compliant in the service report.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with regulations concerning the Group's products and services, including but not limited to product and service safety and health, advertising and labelling.

在我們的工程項目中，安全主任提供安全及環境簡報，以提高安全和環境意識並在分包商層面實施我們的安全和環境管理政策。培訓資料及記錄將由內部稽核員定期審閱。評估分包商的質量、環境、安全及健康表現亦作為我們營運控制的一部分，如本環境、社會及管治報告中「安全及健康政策與合規」一節及「質量管理」一節所述。

除於項目實施過程中的定期監督外，每年將審閱主要核准供應商有關質量、安全及環境的表現，以使供應鏈的相關風險最小化。

### 產品責任

#### 質量管理

本集團的政策一直是以確保客戶滿意度及全面遵守有關項目質量、環境、健康及安全法定及其他規定進行經營。高明科技工程自二零一七年一月起已通過ISO 9001:2015質量管理資格認證。

根據本集團質量程序，本集團項目管理團隊將定期進行質量檢查及視察，以確保僱員及分包商在項目實施及執行過程中所進行的工作符合合約規範。任何不符合標準的產品在交付予客戶前均將由其項目團隊予以糾正。倘收到投訴，我們將會立即採取行動調查問題並執行補救行動計劃。我們將採取糾正及預防措施，避免再次發生。

在整個項目週期中定期與客戶進行會議，會上項目經理將向客戶報告進度、討論遇到的主要事項及獲得客戶的反饋，此外，我們透過於各項目結束時對客戶進行滿意度調查積極尋求客戶的反饋，從而有助於持續改善。就維修及保養項目而言，本集團收集彼等的反饋並於服務報告中記錄任何建議或投訴。

於報告期間，本集團並不知悉違反有關本集團產品及服務的規例之任何事件，包括但不限於產品及服務安全性、健康、廣告及標籤。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Protection of Personal Data Privacy

The Group emphasizes the importance to protecting personal data privacy. As stipulated in the Group's procedure, employees are instructed of their responsibility to ensure data is collected, processed, used, maintained, managed, stored and handled properly and secured appropriately. Any leakage of confidential information to the third parties is strictly prohibited.

During the Reporting Period, there was no complaint concerning breaches of data privacy reported to the Group.

### Anti-corruption

The Group believes that honesty, integrity and fair play are crucial assets in all of its business activities, especially for its long-term development and success. The Code was established to describe the responsibilities to a variety of stakeholders ranging from shareholders, suppliers, contractors, clients to community. The code also guides and encourages ethical employees' conduct, including:

- (i) Compliance with anti-corruption laws under HKSAR;
- (ii) Prevention of bribery, illegal gifts and commission against Bribery Ordinance;
- (iii) Proper handling situations involving a conflict of interest; and
- (iv) Prohibition of any forgery or deceptive accounting methods and records.

In addition to the Code, the Group establishes a whistle-blowing policy that details the procedures of submitting employees' comment or concerns about suspected misconduct, malpractice or impropriety on a confidential basis.

During the Reporting Period, the Group was not aware of any breach of laws and regulations relating to anti-corruption.

### Community Investment

As at the Date of this Report, the Group has focused on supporting educational initiatives. KML Engineering has been offering scholarship to students studying in IVE since year 2001. During the Reporting Period, KML Engineering has received 'Certificate of Appreciation' from branches in Chai Wan, Haking Wong and Shatin respectively.

KML Engineering has received the 'Partner Employer Award 5 Years', commending our continuous support of hiring local students, from The Hong Kong General Chamber of Small and Medium Business.

### 保護個人資料私隱

本集團強調保護個人資料私隱的重要性。如本集團程序中所指明，僱員獲指示有責任確保資料乃妥善收集、處理、使用、保管、管理、儲存及妥善處理並適當保護。嚴令禁止任何向第三方洩漏保密資料。

於報告期間，本集團並無收到有關違反資料私隱投訴的報告。

### 反貪污

本集團認為，誠實、正直及公平競爭是其所有業務活動的重要資產，尤其是對其長期發展及成果而言。本集團已設立守則描述對各種利益相關者（從股東、供應商、承建商、客戶到社區）的責任。守則亦指引及鼓勵員工的道德行為，包括：

- (i) 遵守香港特別行政區反貪污法律；
- (ii) 禁止違反防止賄賂條例，預防賄賂、非法送禮及佣金；
- (iii) 妥善處理涉及利益衝突的狀況；及
- (iv) 禁止任何偽造或欺騙的會計方法及記錄。

除守則外，本集團設立舉報政策，詳細說明員工在保密的基礎上提交對涉嫌不當行為的意見或疑慮的程序。

於報告期間，本集團並不知悉任何違反有關反貪污法律法規的行為。

### 社區投資

於本報告日期，本集團專注支持教育活動。高明科技工程自二零零一年起向在香港專業教育學院的學生提供獎學金。於報告期間，高明科技工程獲得由柴灣、黃克競及沙田各分校頒發的「感謝狀」。

高明科技工程連續五年獲得香港中小型企業總商會頒發的「友商有良」嘉許狀，表彰我們對僱用本地學生的持續支持。

# Independent Auditor's Report

## 獨立核數師報告

### To the SHAREHOLDERS of KML TECHNOLOGY GROUP LIMITED

(Incorporated in Cayman Islands with limited liability)

#### OPINION

We have audited the consolidated financial statements of KML Technology Group Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 69 to 115, which comprise the consolidated statement of financial position as at 31 March 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 致高萌科技集團有限公司股東

(於開曼群島註冊成立的有限公司)

#### 意見

本核數師(以下簡稱「我們」)已審核列載於第69至115頁的高萌科技集團有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此報表包括於二零一八年三月三十一日的綜合財務狀況表與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,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布的香港財務報告準則(「香港財務報告準則」)真實及公平地反映了貴集團於二零一八年三月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及其綜合現金流量,並已遵照香港公司條例的披露要求妥為擬備。

#### 意見基礎

我們已根據香港會計師公會頒布的香港審計準則(「香港審計準則」)進行審核。我們在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表須承擔的責任」一節中作進一步闡述。根據香港會計師公會頒布的專業會計師道德守則(「守則」),我們獨立於貴集團,並已根據守則履行其他道德責任。我們相信,我們所獲得的審核憑證能充足及適當地為我們的審核意見提供基礎。

#### 關鍵審核事項

關鍵審核事項是根據我們的專業判斷,認為對本期間綜合財務報表的審核最為重要的事項。該等事項是在我們審核整體綜合財務報表及就此出具意見時進行處理的。我們不會對該等事項提供單獨的意見。

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (CONTINUED)

#### Key audit matter

#### 關鍵審核事項

#### **Revenue from electrical and mechanical engineering solutions and services, contract costs and the amounts due from/to customers for contract work**

來自機電(「機電」)工程解決方案和服務的合約收益、合約成本以及應收及應付合約工程客戶款項

We identified the revenue from electrical and mechanical engineering solutions and services, including those from contract revenue, variation orders and contract claims ("Contract Revenue"), contract costs and the amounts due from/to customers for contract work as a key audit matter as they are quantitatively significant to the consolidated financial statements as a whole and there are significant judgments exercised by the management of the Group in determining the outcome of the projects as well as the stage of completion of construction works and the amount of Contract Revenue recognised.

As disclosed in notes 6 and 9 to the consolidated financial statements, the Contract Revenue and the contract costs for the year ended 31 March 2018 amounted to approximately HK\$164,789,000 and HK\$117,264,000 respectively. As disclosed in note 16 to the consolidated financial statements, the amounts due from customers for contract work and amounts due to customers for contract work as at 31 March 2018 amounted to approximately HK\$27,225,000 and HK\$21,022,000 respectively.

As disclosed in note 5 to the consolidated financial statements, the budget contract costs are prepared by the management on the basis of estimation of direct labour cost to incur and quotations from time to time provided by the major subcontractors, suppliers or vendors involved and the experience of the management and the engineering solutions and service contract revenue is recognised based on the management's estimate, such as the budget contract costs and collectability of contract claims, of each contract's outcome and stage of completion.

我們將來自機電工程解決方案及服務的收益(包括來自合約收益、變動訂單及合約申索的收益)(「合約收益」)、合約成本、應收及應付合約工程客戶款項認定為關鍵審核事項，乃由於其對於綜合財務報表的重要性，以及貴集團管理層於釐定有關項目的結果以及建築工程的完工階段及所確認的合約收益金額時行使的重大判斷所致。

誠如綜合財務報表附註6及9所披露者，截至二零一八年三月三十一日止年度的合約收益及合約成本分別為164,789,000港元及117,264,000港元。誠如綜合財務報表附註16所披露者，於二零一八年三月三十一日應收合約工程客戶款項及應付合約工程客戶款項分別為27,225,000港元及21,022,000港元。

誠如綜合財務報表附註5所披露者，預算合約成本乃由管理層基於對將產生的直接勞工成本估計及主要分包商、供應商或賣方不時提供提供的報價及管理層的經驗而編製，而工程解決方案及服務合約收益乃基於管理對各合約的結果及完工階段的估計(如預算合約成本及合約申索的可收回性)而確認。

#### 關鍵審核事項(續)

#### How our audit addressed the key audit matter

於審核中我們處理關鍵審核事項的方式

Our procedures in relation to Contract Revenue, contract costs and amounts due from/to customers for contract work included:

- Understanding the management's preparation of the budget costs and how the management review the accuracy of the budget costs;
- Discussing with the project managers and the management of the Group to evaluate the basis of the preparation and periodic reviews of the budget contract costs;
- Obtaining the breakdown of budget contract costs and checking the quotations provided by major subcontractors and suppliers and comparing historical direct labour costs incurred for similar projects, to evaluate the reasonableness of the management's estimation of the budget contract costs, on a sample basis;
- Checking the budgeted revenue to underlying engineering solutions and service contracts and purchase orders on a sample basis;
- Recalculating the revenue recognised based on stage of completion with reference to the proportion that accumulated contract cost incurred for work performed to date relative to the budget contract costs;
- Agreeing the contract costs incurred to the amount of costs recorded in the direct labour costs, subcontractor payment certificates and supplier invoices on a sample basis; and
- Assessing the appropriateness of the amounts due from/to customers for contract work by checking to the subcontractor payment certificates and supplier invoices or progress billing on a sample basis.

我們就有關合約收益、合約成本以及應收及應付合約工程客戶款項所展開的程序包括：

- 了解管理層編製預算成本及管理層審閱預算成本方式的準確性；
- 與項目經理及貴集團管理層商討，並評估編製基準及定期檢討預算合約成本；
- 獲得預算合約成本的細目及透過抽樣檢查主要分包商、供應商提供的報價及比較類似項目產生歷史直接勞工成本以評估管理層對預算合約成本估計的合理性；
- 透過抽樣檢查相關工程解決方案及服務合約的預算收益及採購訂單；
- 經參考於預算合約成本有關的迄今所開展工程所產生的累計合約成本的比例及基於完工階段，重新計算已確認收益；
- 透過抽樣檢查分包商付款證明及供應商發票，核對所產生的合約成本與記錄於直接勞工成本的成本金額；
- 透過抽樣檢查分包商付款證明及供應商發票或進度付款，評估應收/應付合約工程客戶款項的合適性。

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (CONTINUED)

#### Key audit matter

##### 關鍵審核事項

#### Recoverability of trade receivables

##### 貿易應收款項的可收回性

We identified the recoverability of trade receivables as a key audit matter due to its significance to the consolidated financial statements and significant management judgement involved.

As disclosed in note 5 to the consolidated financial statements, in determining the recoverability of trade receivables, a considerable amount of management judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, the past collection history and subsequent settlement of each customer.

As disclosed in note 14 to the consolidated financial statements, the carrying amount of the Group's trade receivables as at 31 March 2018 was HK\$44,853,000, out of which HK\$23,547,000 were past due but not impaired. No impairment loss of trade receivables recognised as at 31 March 2018.

我們將貿易應收款項的可收回性認定為關鍵審核事項，乃由於其對綜合財務報表整體及管理層行使的重大判斷至關重要，以及與貴集團管理層評估貿易應收款項可收回性相關的判斷所致。

誠如綜合財務報表附註5所披露，於釐定貿易應收款項的可收回性時，評估該等應收款項的最終變現值時需要管理層作出大量判斷，包括各客戶的現時信譽、過往收款記錄及後續結算情況。誠如綜合財務報表附註14所披露者，貴集團於二零一八年三月三十一日的貿易應收款項賬面值為44,853,000港元，其中23,547,000港元已逾期但未作減值。於二零一八年三月三十一日，未確認貿易應收款項減值虧損。

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

### 關鍵審核事項 (續)

#### How our audit addressed the key audit matter

##### 於審核中我們處理關鍵審核事項的方式

Our procedures in relation to the recoverability of trade receivables included:

- Understanding how the management accessed the recoverability of trade receivables was assessed by the management;
- Testing the accuracy of the ageing analysis of trade receivables, on a sample basis, to the invoices;
- Checking the subsequent settlements of the trade receivables, on a sample basis; and
- Evaluating the management assessment on the recoverability of trade receivables that are past due but not impaired with reference to creditworthiness, past collection history and subsequent settlement of the debtors.

我們就貿易應收款項的可收回性所展開的程序包括：

- 了解管理層評估貿易應收款項的可收回性的方式；
- 透過抽樣測試該等發票的貿易應收款項的賬齡分析的準確性；
- 透過抽樣檢查貿易應收款項的期後結算情況；及
- 經參考債務人的信譽、過往收回歷史及期後結算情況，評估管理層就已逾期但未作減值的貿易應收款項的可收回性作出的評估。

### 其他資料

貴公司董事須對其他資料負責。其他資料包括載於年報的資料，但不包括綜合財務報表及我們就此編製的核數師報告。

我們對綜合財務報表作出的意見並不涵蓋其他資料，我們亦不就此發表任何形式的保證結論。

就我們對綜合財務報表的審核而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們於審核時所獲悉的資料存在重大不符或於其他方面存在重大錯誤陳述。基於我們已執行的工作，倘我們認為此其他資料存在重大錯誤陳述，我們須報告有關事實。就此，我們並無任何報告。

# Independent Auditor's Report

## 獨立核數師報告

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

### 董事及治理人員對綜合財務報表的責任

貴公司董事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披露規定，編製真實且公允的綜合財務報表，以及維持 貴公司董事認為必要的有關內部監控，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時， 貴公司董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事宜，以及使用持續經營會計基礎，除非 貴公司董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案則除外。

治理人員負責監督 貴集團的財務報告程序。

### 核數師對審核綜合財務報表的責任

我們的目標為對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照我們所協定的委聘條款僅向 閣下發出載有我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理保證乃高水平的保證，但無法保證根據香港審計準則進行的審計在存在的重大錯誤陳述時總能發現。錯誤陳述可由欺詐或錯誤引起，若有合理預期它們個別或整體起來可能影響使用者根據該等綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審核的過程中，我們運用專業判斷及保持職業懷疑態度。我們亦：

- 識別及評估綜合財務報表中由於欺詐或錯誤而導致的重大錯誤陳述風險，因應該等風險，設計及執行審核程序，獲得充足及適當的審核憑證作為我們的意見提供基礎。由於欺詐可能涉及合謀串通、偽造、蓄意遺漏、虛假性陳述或凌駕內部監控，因此未能發現由於欺詐造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 瞭解與審核相關的內部監控，以設計恰當的審核程序，但並非旨在對 貴集團內部監控的有效性發表意見。
- 評估 貴公司董事所用會計政策是否恰當及所作出的會計估計及相關披露是否合理。

# Independent Auditor's Report

## 獨立核數師報告

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

- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Yu Kin Man.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong

19 June 2018

### 核數師對審核綜合財務報表的責任(續)

- 對 貴公司董事採用持續經營會計基礎的適當性作出結論，根據所取得的審核憑證，確定是否存在與事項或情況有關的重大不確定性，而可能對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則須於核數師報告中敦請注意綜合財務報表中的相關披露。假若有關的披露不足，則須修改我們的意見。我們的結論乃基於直至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致 貴集團不能持續經營。
- 評估綜合財務報表(包括披露)的整體呈報、架構及內容，以及綜合財務報表是否以達致公允反映相關交易及事件。
- 就 貴集團中實體或業務活動的財務資料取得充分及適當的審核憑證，以對綜合財務報表發表意見。我們負責指導、監督及執行 貴集團的審核。我們僅對我們的審核意見承擔責任。

我們與治理人員溝通了包括審核計劃的範圍、時間及重大審核發現，包括我們於審核中識別出內部監控的任何重大缺陷。

我們亦向治理人員提交聲明，說明我們已符合有關獨立性的相關道德要求，並與其溝通有可能合理地被認為會影響我們獨立性的所有關係及其他事項，以及於適用的情況下，相關的防範措施。

從與治理人員的溝通事項中，我們釐定該等對審核本期綜合財務報表最為重要及因此成為關鍵審核事項。我們於核數師報告中描述該等事項，除非法律或法規不允許對有關事項進行公開披露，或於極端罕見的情況下，若有合理預期在我們報告中傳達某事項造成的不利後果超過該傳達產生的公眾利益，我們決定不應於報告中傳達該事項。

出具本獨立核數師報告的審計專案合夥人是俞堅民。

**德勤 • 關黃陳方會計師行**  
執業會計師  
香港

二零一八年六月十九日

# 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 2018 截至二零一八年三月三十一日止年度

		NOTES 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	6	<b>193,973</b>	171,116
Cost of sales	銷售成本		<b>(138,019)</b>	(115,630)
Gross profit	毛利		<b>55,954</b>	55,486
Other income	其他收入	7	<b>374</b>	612
Other gain and losses, net	其他收益及虧損淨額	7	<b>298</b>	(301)
Administrative expenses	行政開支		<b>(40,067)</b>	(39,179)
Listing expenses	上市開支		<b>(15,847)</b>	(553)
Profit before taxation	除稅前溢利	9	<b>712</b>	16,065
Income tax expense	所得稅開支	10	<b>(2,858)</b>	(2,738)
(Loss) profit for the year	年內(虧損)溢利		<b>(2,146)</b>	13,327
(Loss) profit and total comprehensive (expense) income for the year attributable to owners of the Company	本公司擁有人應佔年內(虧損)溢利及全面(開支)收益總額		<b>(2,146)</b>	13,327
(Loss) earnings per share	每股(虧損)盈利			
Basic (HK cents)	基本(港仙)	12	<b>(0.62)</b>	4.44

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 March 2018 於二零一八年三月三十一日

		NOTES 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	<b>3,312</b>	2,386
Deposits	按金	15	<b>1,335</b>	693
Retention held by customers for contract works	客戶就合約工程持有的保留金	15	<b>9,361</b>	6,085
			<b>14,008</b>	9,164
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨		<b>508</b>	535
Trade receivables	貿易應收款項	14	<b>44,853</b>	31,478
Retention held by customers for contract works	客戶就合約工程持有的保留金	15	<b>7,428</b>	5,262
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	15	<b>7,365</b>	4,071
Amounts due from customers for contract works	應收合約工程客戶款項	16	<b>27,225</b>	32,243
Tax recoverable	可收回稅項		<b>73</b>	–
Pledged bank deposit	有抵押銀行存款	17	<b>5,000</b>	–
Time deposits with original maturity over three months	原到期日超過三個月的 定期存款	17	<b>20,007</b>	–
Bank balances and cash	銀行結餘及現金	17	<b>40,225</b>	58,619
			<b>152,684</b>	132,208
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	貿易應付款項	18	<b>10,027</b>	8,793
Other payables and accrued charges	其他應付款項及應計費用	19	<b>11,592</b>	10,545
Amounts due to customers for contract works	應付合約工程客戶款項	16	<b>21,022</b>	19,257
Tax payable	應付稅項		<b>–</b>	3,289
			<b>42,641</b>	41,884
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>110,043</b>	90,324
<b>Total assets less current liabilities</b>	<b>總流動資產減流動負債</b>		<b>124,051</b>	99,488
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	20	<b>248</b>	91
<b>Net assets</b>	<b>資產淨值</b>		<b>123,803</b>	99,397
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	22	<b>4,000</b>	14,339
Share premium and reserves	股份溢價及儲備		<b>119,803</b>	85,058
<b>Total equity</b>	<b>總權益</b>		<b>123,803</b>	99,397

The consolidated financial statements on pages 69 to 115 were approved and authorised for issue by the Board of Directors on 19 June 2018 and are signed on its behalf by:

董事會於二零一八年六月十九日批准及授權刊發載於第69頁至第115頁的綜合財務報表，並由下列董事代表簽署：

**Mr. Luk Kam Ming**  
陸鑑明先生  
Director  
董事

**Mr. Chan Chak Lun Philip**  
陳澤麟先生  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 March 2018 截至二零一八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 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元 Note 附註	Accumulated profits 累計溢利 HK\$'000 千港元	Total equity 總權益 HK\$'000 千港元
At 1 April 2016	於二零一六年四月一日	14,339	-	-	81,731	96,070
Profit and total comprehensive income for the year	年內溢利及全面 收益總額	-	-	-	13,327	13,327
Dividend (Note 11)	股息(附註11)	-	-	-	(10,000)	(10,000)
At 31 March 2017	於二零一七年三月三十一日	14,339	-	-	85,058	99,397
Loss and total comprehensive expense for the year	年內虧損及全面 開支總額	-	-	-	(2,146)	(2,146)
Dividend (Note 11)	股息(附註11)	-	-	-	(25,000)	(25,000)
Arising from Reorganisation (Note)	重組產生(附註)	(14,339)	-	14,339	-	-
Ordinary shares issued	已發行普通股	4,000	47,552	-	-	51,552
At 31 March 2018	於二零一八年三月三十一日	4,000	47,552	14,339	57,912	123,803

Note: Other reserve represents the difference between the nominal values of the ordinary shares issued by the Company and the share capital of subsidiaries acquired through an exchange of shares pursuant to the Reorganisation (as defined in note 2) during the year ended 31 March 2018.

附註：其他儲備指截至二零一八年三月三十一日止年度本公司已發行普通股之面值與透過根據重組(定義見附註2)交換股份所收購附屬公司股本之差額。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>OPERATING ACTIVITIES</b>			
Profit before taxation		712	16,065
Adjustments for:			
Depreciation of property, plant and equipment		1,007	1,093
(Gain) loss on disposal of property, plant and equipment		(7)	219
Bank interest income		(197)	(165)
Operating cash flows before movements in working capital		1,515	17,212
Changes in amounts due from/to customers for contract work, net		6,783	(3,772)
Decrease in inventories		27	10
(Increase) decrease in retention receivables		(5,442)	608
(Increase) decrease in trade receivables		(13,375)	3,992
Increase in other receivables, deposits and prepayments		(4,211)	(3,098)
Increase (decrease) in trade payables		1,234	(1,363)
Increase in other payables and accrued charges		1,050	2,174
Cash (used in) generated from operations		(12,419)	15,763
Income tax paid		(6,063)	(6,405)
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>		<b>(18,482)</b>	<b>9,358</b>
<b>INVESTING ACTIVITIES</b>			
Bank interest received		197	165
Purchase of property, plant and equipment		(1,933)	(1,204)
Proceeds from disposal of property, plant and equipment		7	-
Withdrawn of time deposits with original maturity date over three months		6,054	2,501
Placement of time deposits with original maturity date over three months		(26,061)	-
Placement of pledged bank deposit		(5,000)	-
Withdrawal of pledged bank deposit		-	2,841
Advance from a director		-	400
Net cash outflow arising from disposal of a subsidiary	27	(3)	-
<b>NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES</b>		<b>(26,739)</b>	<b>4,703</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		60,000	-
Share issue cost paid		(8,173)	-
Dividends paid		(25,000)	(10,000)
<b>NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES</b>		<b>26,827</b>	<b>(10,000)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(18,394)</b>	<b>4,061</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>58,619</b>	<b>54,558</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash</b>		<b>40,225</b>	<b>58,619</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 5 May 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, a consolidated and revised) of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at B12, G/F, Shatin Industrial Centre, Siu Lek Yuen Road, Shatin, New Territories, Hong Kong.

The Company's shares were listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 October 2017 (the "Listing"). The controlling shareholders of the Company are detailed in note 2. The principal activity of the Company is investment holding and its subsidiaries are principally engaged in the provision of electrical and mechanical ("E&M") engineering solutions and services. The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company and its principal subsidiaries.

### 2. GROUP REORGANISATION AND BASIS OF PREPARATION

Pursuant to the group reorganisation stated in the Company's prospectus dated 29 September 2017 (the "Prospectus") in preparation for the Listing (the "Reorganisation"), the Company became the holding company of the subsidiaries now comprising the Group on 6 September 2017, the details of which are as set out in the Prospectus.

As the Group comprising the Company and its subsidiaries resulting from the Reorganisation continued to be controlled by Mr. Luk Kam Ming ("Mr. KM Luk"), Mr. Luk Kwai Lung ("Mr. KL Luk"), Mr. Luk Yin Cheung ("Mr. YC Luk"), Ms. Leung Kwok Yee ("Madam Leung") and KML Holdings Limited ("KML Holdings") (collectively the "Controlling Shareholders") and is regarded as a continuing entity, accordingly, the consolidated financial statements have been prepared on the basis as if the Company had always been the holding company of the Group throughout the year ended 31 March 2017 under the principles of merger accounting in accordance with the Accounting Guideline 5 "Merger Accounting, Under Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for both years have been prepared to present the results and cash flows of the companies comprising the Group as if the group structure upon the completion of the Reorganisation had been in existence throughout both years or since their respective dates of incorporation, where there is a shorter period. The consolidated statement of financial position of the Group as at 31 March 2017 has been prepared to present the assets and liabilities of the companies now comprising the Group, as if the current group structure has been in existence at that date taking into account the respective dates of incorporation, where applicable.

### 1. 一般資料

本公司於二零一七年五月五日在開曼群島根據開曼群島第22章公司法(一九六一年第3號法律,經綜合及修訂)註冊成立為一間獲豁免有限公司。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司於香港的主要營業地址為香港新界沙田小瀝源路沙田工業中心地下B12室。

本公司股份於二零一七年十月十六日在香港聯合交易所有限公司(「聯交所」)GEM上市(「上市」)。本公司控股股東詳述於附註2。本公司的主要業務為投資控股及其附屬公司主要從事提供機電(「機電」)工程解決方案及服務。綜合財務報表以港元(「港元」)呈列,港元亦為本公司及其主要附屬公司的功能貨幣。

### 2. 集團重組及編製基準

根據本公司二零一七年九月二十九日的招股章程(「招股章程」)所述為籌備上市而進行的集團重組(「集團重組」),本公司於二零一七年九月六日成為本集團現時旗下附屬公司的控股公司,有關詳情載於招股章程。

由於重組而包括本公司及其附屬公司的本集團持續繼續由陸鑑明先生(「陸鑑明先生」)、陸季農先生(「陸季農先生」)、陸彥彰先生(「陸彥彰先生」)、梁嫻儀女士(「梁女士」)及KML Holdings Limited(「KML Holdings」)(統稱「控股股東」)控制及被視為持續實體。因此,綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的會計指引第5號「共同控制合併之合併會計法」以合併會計原則編製,猶如本公司於截至二零一七年三月三十一日止整個年度一直為本集團的控股公司。

於兩個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已予編製以呈列本集團旗下公司的業績及現金流量,猶如於重組完成後集團架構於兩個年度或自彼等各自註冊成立日期起一直存在(以較短者為準)。本集團於二零一七年三月三十一日的綜合財務狀況表已予編製以呈列本集團旗下公司的資產及負債,猶如現時集團架構於計及各自註冊成立日期的日期一直存在(如適用)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”)

For the purpose of preparing and presenting the consolidated financial statements for both years, the Group has consistently adopted the HKFRSSs issued by the HKICPA that are effective for the Group’s financial year beginning on 1 April 2017.

At the date of this report, HKICPA has issued the following new and revised HKFRSSs that are not yet effective. The Group has not early adopted these new and revised HKFRSSs.

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers and the related Amendments <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>4</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts <sup>1</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>2</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>2</sup>
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSSs 2014-2016 Cycle <sup>1</sup>
Amendments to HKAS 40	Transfer of Investment Property <sup>1</sup>
Amendments to HKFRSSs	Annual Improvements to HKFRSSs 2015-2017 Cycle <sup>1</sup>
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments <sup>2</sup>

- 1 Effective for annual periods beginning on or after 1 January 2018.
- 2 Effective for annual periods beginning on or after 1 January 2019.
- 3 Effective for annual periods beginning on or after a date to be determined.
- 4 Effective for annual periods beginning on or after 1 January 2021.

### 3. 應用香港財務報告準則(「香港財務報告準則」)

就編製及呈列兩個年度的綜合財務報表而言，本集團一致地採納香港會計師公會頒佈的於二零一七年四月一日開始的本集團財政年度生效的香港財務報告準則。

於本報告日期，香港會計師公會已頒佈下列尚未生效之新訂及經修訂香港財務報告準則。本集團並無提早採納該等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 <sup>1</sup>
香港財務報告準則第15號	客戶合約收益及相關修訂 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>2</sup>
香港財務報告準則第17號	保險合約 <sup>4</sup>
香港財務報告準則第2號之修訂	以股份為基礎之付款交易之分類及計量 <sup>1</sup>
香港財務報告準則第4號之修訂	與香港財務報告準則第4號保險合約一併應用香港財務報告準則第9號金融工具 <sup>1</sup>
香港財務報告準則第9號之修訂	負債補償之預付特點 <sup>2</sup>
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間之資產銷售或注資 <sup>3</sup>
香港會計準則第19號之修訂	計劃修訂、縮減或結算 <sup>2</sup>
香港會計準則第28號之修訂	於聯營公司及合營企業的長期權益 <sup>2</sup>
香港會計準則第28號之修訂	作為對香港財務報告準則二零一四至二零一六週期之年度改進的一部分 <sup>1</sup>
香港會計準則第40號之修訂	投資物業轉讓 <sup>1</sup>
香港財務報告準則之修訂	對香港財務報告準則二零一五至二零一七週期之年度改進 <sup>1</sup>
香港(國際財務報告詮釋委員會)－詮釋第22號	外幣交易及墊付代價 <sup>1</sup>
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理之不確定性 <sup>2</sup>

- 1 於二零一八年一月一日或之後開始之年度期間生效。
- 2 於二零一九年一月一日或之後開始之年度期間生效。
- 3 於待釐定之日期或之後開始之年度期間生效。
- 4 於二零二一年一月一日或之後開始之年度期間生效。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (CONTINUED)

#### HKFRS 9 “Financial Instruments”

HKFRS 9 introduced new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group:

- in relation to all recognised financial assets that are within the scope of HKFRS 9, they are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group’s financial instruments and risk management policies as at 31 March 2018, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

Debt instruments classified as trade and other receivables, retention receivables, pledged bank deposit, time deposits with original maturity over three months, and bank balances carried at amortised cost, these are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of HKFRS 9.

### 3. 應用香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第9號「金融工具」

香港財務報告準則第9號引進有關金融資產、金融負債、一般對沖會計處理方法分類及計量之新規定及金融資產減值之規定。

香港財務報告準則第9號與本集團有關的主要規定：

- 就所有屬香港財務報告準則第9號範圍內的已確認金融資產而言，其後均須按經攤銷成本或公允值計量。具體而言，業務模式為收取合約現金流量為目的債務投資，及僅為支付本金及尚未償還本金利息而擁有合約現金流量的債務投資，一般於其後會計期間結算日按攤銷成本計量。業務模式同時收取合約現金流量及出售金融資產為目的債務工具，以及純粹為支付本金及尚未償還本金利息而於特定日期產生的現金流量之合約條款的債務工具，一般以透過其他全面收益按公允值列賬的方式計量。所有其他金融資產均於其後會計期間按公允值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回的選擇，於其他全面收益呈列權益投資（並非持作買賣者）公允值的其後變動，僅股息收益一般於損益中確認。
- 就金融資產減值而言，與香港會計準則第39號按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

根據本集團於二零一八年三月三十一日的金融工具及風險管理政策，本公司董事預期初次應用香港財務報告準則第9號有下列潛在影響：

分類為貿易及其他應收款項、應收保留金款項、有抵押銀行存款、原到期日超過三個月的定期存款的債務工具以及按攤銷成本列賬的銀行結餘，業務模式為收取合約現金流量為目的持有，僅為償還本金及尚未償還本金利息。因此，於應用香港財務報告準則第9號後，該等金融資產其後將繼續按攤銷成本計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (CONTINUED)

#### HKFRS 9 “Financial Instruments” (continued)

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised costs that subject to the impairment provisions upon application of HKFRS 9 by the Group. The directors of the Company do not anticipate that the application of HKFRS 9 will have material impact on the Group’s financial assets.

#### HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

### 3. 應用香港財務報告準則(「香港財務報告準則」)(續)

#### 香港財務報告準則第9號「金融工具」(續)

一般而言，本公司董事預期，於本集團應用香港財務報告準則第9號後，應用香港財務報告準則第9號的預期信貸虧損模式將會導致提早撥備尚未產生的信貸虧損，與本集團按攤銷成本計量的金融資產須作出減值撥備有關。本公司董事預期應用香港財務報告準則第9號不會對本集團的金融資產造成重大影響。

#### 香港財務報告準則第15號「客戶合約收益」

香港財務報告準則第15號已頒佈，其制定一項單一全面模式供實體用作將自客戶合約所產生的收益入賬。香港財務報告準則第15號生效後，將取代現有的收益確認指引，包括香港會計準則第18號「收益」、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號的核心原則為實體確認向客戶轉讓承諾貨品或服務的收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則就引入五個確認收益的步驟：

- 第一步：識別與客戶訂立的合約
- 第二步：識別合約中的履約責任
- 第三步：釐定交易價格
- 第四步：將交易價格分配至合約中的履約責任
- 第五步：實體達成履約責任時(或就此)確認收益

根據香港財務報告準則第15號，於(或隨著)實體完成履約責任，即與特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時確認收益。香港財務報告準則第15號已加入更明確指引以處理特別情況。此外，香港財務報告準則第15號要求更詳盡的披露。

於二零一六年，香港會計師公會就識別履約責任、當事人與代理的代價及許可權應用指引的事宜對香港財務報告準則第15號作出澄清。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (CONTINUED)

#### HKFRS 15 “Revenue from Contracts with Customers” (continued)

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

#### HKFRS 16 “Leases”

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 “Leases” and the related interpretations when it becomes effective.

HKFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be both presented as financing cash flows by the Group.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

### 3. 應用香港財務報告準則(「香港財務報告準則」)(續)

#### 香港財務報告準則第15號「客戶合約收益」(續)

本公司董事預期，日後應用香港財務報告準則第15號或會導致作出更多披露，然而，本公司董事預期，應用香港財務報告準則第15號不會對在各報告期內確認的收益的時間及金額造成重大影響。

#### 香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。香港財務報告準則第16號於生效時將取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及低值資產外，經營及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權利資產及相應負債的模式替代。

使用權資產初步按成本計量，其後按成本(有若干例外情況)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。租賃負債初步按於租賃日期未付租賃付款的現值計量。其後，租賃負債就(其中包括)利息、租賃付款及租約修訂的影響作出調整。就現金流量分類而言，本集團現時將經營租賃付款呈列為經營現金流量。根據香港財務報告準則第16號，有關租賃負債的租賃付款將分為本金及利息部分，並會呈列為融資現金流量。

與承租人會計處理方法不同，香港財務報告準則第16號大致保留香港會計準則第17號的出租人會計處理方法的規定，及繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求更詳盡的披露資料。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (CONTINUED)

#### HKFRS 16 “Leases” (continued)

As set out in note 23, total operating lease commitment of the Group in respect of leased premises as at 31 March 2018 is amounted to HK\$10,178,000. Upon the adoption of HKFRS 16, the directors of the Company expect that the commitments in the future in respect of leased premises with the terms more than twelve months will be required to be recognised in the consolidated financial statements of the Group in the future as right-of-use assets and lease liabilities and the directors of the Company do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's results.

In addition, the Group currently considers refundable rental deposits paid of HK\$675,000 as at 31 March 2018 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the Group's consolidated financial statements.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements has been prepared on the historical cost basis and in accordance with the following accounting policies which conform with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements includes the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

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

### 3. 應用香港財務報告準則(「香港財務報告準則」)(續)

#### 香港財務報告準則第16號「租賃」(續)

誠如附註23所載，本集團於二零一八年三月三十一日就租賃物業的總經營租賃承擔為10,178,000港元。於採納香港財務報告準則第16號後，本公司董事預期，為期超過十二個月的租賃物業的未來承擔將須於本集團日後的綜合財務報表中確認為使用權資產及租賃負債，且本公司董事經對比現有會計政策後，預期採納香港財務報告準則第16號不會對本集團的業績造成重大影響。

此外，本集團現時將於二零一八年三月三十一日已付可退還租賃按金675,000港元視作香港會計準則第17號所適用的租賃下的權利及責任。根據香港財務報告準則第16號項下租賃款項的定義，有關按金並非與使用相關資產權利有關的付款，因此，有關按金的賬面值可予調整至經攤銷成本，而有關調整乃被視為額外租賃付款。已付可退還租賃按金的調整會計入使用權資產的賬面值內。

此外，應用新規定可能引致上文所示之計量、呈列方式及披露變動。

本公司董事預期應用其他新訂及經修訂香港財務報告準則，將不會對本集團綜合財務報表造成重大影響。

### 4. 主要會計政策

綜合財務報表乃根據歷史成本法及遵照下列與香港會計師公會所頒佈的香港財務報告準則一致的會計政策編製。此外，綜合財務報表包括聯交所GEM證券上市規則及香港公司條例所規定的適用披露事項。

歷史成本一般為基於為換取貨品及服務所付代價的公允值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are within the scope of HKAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

#### Basis of consolidation

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

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

### 4. 主要會計政策(續)

公允值乃於計量日期市場參與者在有序交易中出售資產可收取或轉讓負債須支付之價格，不論該價格是否直接可觀察或可使用其他估值技術估計。倘市場參與者於計量日期對資產或負債定價時會考慮資產或負債之特點，則本集團於估計資產或負債之公允值時會考慮該等特點。該等綜合財務報表中作計量及／或披露用途之公允值乃按此基準釐定，惟屬於香港財務報告準則第2號「以股份支付的款項」範圍的以股份支付的交易，屬於香港會計準則第17號「租賃」範圍內的租賃交易，以及與公允值有部分類似但並非公允值的計量（例如香港會計準則第2號「存貨」內的可變現淨值或香港會計準則第36號「資產減值」的使用價值）除外。

此外，就財務申報而言，公允值計量根據公允值計量之輸入數據可觀察程度及公允值計量之輸入數據對其整體之重要性分類為第一、第二或第三級，詳情如下：

- 第一級輸入數據為實體可於計量日期取得之相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據為就資產或負債而言可直接或間接觀察之輸入數據，惟第一級所載報價除外；及
- 第三級輸入數據為資產或負債之不可觀察輸入數據。

所採納之主要會計政策載列如下。

#### 綜合基準

綜合財務報表將本公司與本公司與其附屬公司所控制實體之財務報表綜合入賬。本公司於以下情況獲得控制權：

- 可對被投資方行使權力；
- 因參與被投資方之業務而獲得或有權獲得可變回報；及
- 有能力行使其權力影響其回報。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of consolidation (continued)

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

#### Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been consolidated from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period.

### 4. 主要會計政策(續)

#### 綜合基準(續)

倘事實及情況反映上文所列三項控制因素其中一項或多項改變，則本集團會重估其是否仍然控制被投資方。

本集團獲得附屬公司控制權時便開始將附屬公司綜合入賬，於喪失附屬公司控制權時則終止入賬。具體而言，年內所收購或出售附屬公司的收入及開支於本集團獲得控制權日期計入綜合損益及其他全面收益表，直至本集團不再控制該附屬公司為止。

損益及其他各項綜合收益均歸屬於本公司擁有人及非控制權益。附屬公司的綜合收益總額歸屬於本公司擁有人及非控制權益，不論非控制權益會否因此出現虧絀。

於必要時，會對附屬公司之財務報表作出調整，以使其會計政策與本集團的會計政策一致。

所有有關本集團成員公司之間的交易的集團內資產、負債、權益、收入、開支及現金流量會於合併時全數對銷。

#### 涉及受共同控制實體業務合併的合併會計法

綜合財務報表包括共同控制合併發生的合併實體或業務的財務報表項目，猶如自該等合併實體或業務首次受控制方控制當日起已合併。

合併實體或業務的資產淨值乃按控制方的現有賬面值進行合併。在控制方持續擁有權益的條件下，共同控制合併時並無就商譽或於被收購公司的可識別資產、負債及或然負債的公平淨值的權益高出成本的部分確認任何金額。

綜合損益及其他全面收益表包括自最早呈列日期起或自該等合併實體或業務首次受共同控制日期起(以期限較短者為準)的業績。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from design, supply, installation of systems and implementation of electrical and mechanical engineering service contracts is based on the stage of completion at the end of each reporting period. The percentage of completion is determined using methods that measure reliably the work performed with reference to the proportion that contract cost incurred for work performed to date relative to the budget contract cost.

Revenue from provision of maintenance services is recognised when services are rendered.

Revenue from the sale of goods and fabrication and sales of made-to-order products for customers is recognised when the goods are delivered and titles have passed.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 4. 主要會計政策(續)

#### 收入確認

收入按已收或應收代價之公允值計量。

設計、供應、安裝系統及執行機電工程服務合約的收益基於各報告期末完成階段計算。完成百分比採用可靠計量所達成工程的方法及經參考至今已施工工程產生的合約成本佔估計合約成本總額的比例計量予以釐定。

提供保養服務的收益於服務已交付時確認。

銷售貨品及為客戶裝配及銷售按訂單做成的產品的收益於貨品乃交付及所有權已轉移時確認。

來自金融資產的利息收入於經濟利益很可能流入本集團及收入金額能可靠計量時確認。利息收入參照未償還的本金及適用實際利率，按時間基準累計，而實際利率指用以對金融資產的整個預期年期內的估計未來現金流入準確貼現至該資產於初始確認時的賬面淨值的比率。

#### 政府補助

政府補助不會確認直至合理確保本集團將遵守補助隨附的條件及該等補助將收取為止。

政府補助乃就本集團確認之有關開支(預期補助可予抵銷成本開支)期間按系統化之基準於損益中確認。尤其是，主要條件為本集團將購置、建造或另外收購非流動資產的政府補助於綜合財務狀況表確認為遞延收入並於相關資產的可使用年期按系統及合理基準轉讓至損益。政府補助是作為支出或已發生的虧損補償，或是以給予本集團及時的財務支援為目的而獲得的，無未來相關成本，在其成為應收款項的期間內於損益中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Impairment loss on tangible assets

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

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

### 4. 主要會計政策(續)

#### 物業、廠房及設備

物業、廠房及設備按成本減其後累計折舊以及其後累計減值虧損(如有)列賬。

折舊採用直線法於估計可使用年內撇減物業、廠房及設備項目的成本方式確認。估計可使用年期及折舊法於各報告期末予以檢討，而估計的任何變動影響按預期基準列賬。

物業、廠房及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時終止確認。出售或棄置物業、廠房及設備項目產生的任何損益乃按該資產的出售所得款項與賬面值之間的差額釐定，並於損益內確認。

#### 有形資產減值虧損

於各報告期末，本集團檢討其資產的賬面值，以釐定有否任何跡象顯示該等資產遭受減值虧損。如有任何該等跡象，則會估計資產的可收回金額，以釐定減值虧損(如有)的程度。倘無法估計單項資產的可收回金額，本集團會估計該資產所屬現金產生單位的可收回金額。於可識別合理及一貫分配基準的情況下，公司資產亦會被單獨分配至現金產生單位，否則或會被分配至可合理及按一貫分配基準而識別的最小現金產生單位中。

可收回金額乃公允值減出售成本與使用價值的較高者。在評估使用價值時，估計未來現金流量使用稅前貼現率貼現至其現值，該貼現率反映對貨幣時間價值的當前市場評價及未來現金流量估計未經調整的資產或現金產生單位所特有的風險。

倘估計某資產(或現金產生單位)的可收回金額低於其賬面值，該資產(或現金產生單位)的賬面值被削減至其可收回金額。減值虧損即時於損益確認。

倘減值虧損其後撥回，該資產的賬面值將增加至可收回金額的經修訂估計，惟所增加的賬面值不得超過假設該資產過往年度未確認減值虧損原應釐定的賬面值。減值虧損撥回即時於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E&M engineering solutions and services contracts

Where the outcome of an E&M engineering solutions and services contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of each reporting period, measured based on the proportion that revenue recognised with reference to the proportion that contract cost incurred for work performed to date relative to the budget contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of an E&M engineering solutions and services contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable to be recovered. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statements of financial position under trade receivables.

#### Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### Financial assets

The Group's financial assets are loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

### 4. 主要會計政策(續)

#### 機電工程解決方案和服務合約

倘機電工程解決方案和服務合約的結果能夠可靠地估計，收益及成本則會根據各報告期末合約活動的完成階段予以確認，乃基於參考至今已施工工程產生的合約成本佔估計合約成本總額的比例計量。合約工程的變更、申索及獎金只在金額能夠可靠地計量及認為很大可能收取該等金額的情況下會入賬。

倘未能可靠地估計機電工程解決方案和服務合約的結果，則合約收益按有可能收回的已產生合約成本予以確認。合約成本於其產生期間確認為支出。

倘總合約成本有可能超出總合約收益時，預期虧損即時確認為支出。

倘迄今產生的合約成本加已確認溢利減已確認虧損超出進度款項，則超出部分列作應收合約工程客戶款項。就進度款項超出至今產生的合約成本加已確認溢利減已確認虧損的合約而言，則超出部分列作應付合約工程客戶款項。就已施工工程發出賬單但客戶尚未支付的款項則計入綜合財務狀況表的貿易應收款項。

#### 金融工具

金融資產及金融負債於集團實體訂立工具契約條文時在綜合財務狀況表確認。

金融資產及金融負債初步按公允值計量。收購或發行金融資產及金融負債直接應佔的交易成本於初步確認時在金融資產或金融負債的公允值計入或扣除(如適用)。

#### 金融資產

本集團金融資產為貸款及應收款項。該分類視乎金融資產的性質及用途而定，並於初步確認時確定。所有以常規方式購入或出售的金融資產於交易日確認及終止確認。以常規方式購入或出售指須於市場規則或慣例所設定的時間架構內交收的金融資產購入或出售。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (continued)

##### Financial assets (continued)

###### Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

###### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables and deposits, retention receivables, time deposits with original maturity over three months, pledged bank deposit and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate except for short-term receivables where the recognition of interest would be insignificant.

###### Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of the loans and receivables have been affected.

### 4. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

###### 實際利率法

實際利率法為計算有關期間債務工具的攤銷成本及分配利息收入的方法。實際利率是將估計未來現金收入(包括所有構成實際利率組成部分的已付或已收費用及百分點、交易成本及其他溢價或折讓)按債務工具預計年期或(如適用)更短期間準確貼現至初步確認時的賬面淨值的利率。

債務工具的利息收入按實際利率基準確認。

###### 貸款及應收款項

貸款及應收款項為具有固定或可釐定付款的非衍生金融資產，該等付款於活躍市場並無報價。於初步確認後，貸款及應收款項(包括貿易應收款項、其他應收款項及按金、應收保留金款項、原到期日超過三個月的定期存款、有抵押銀行存款及銀行結餘及現金)乃使用實際利率法按攤銷成本減任何減值計量(參閱下文有關金融資產減值的會計政策)。

利息收入乃使用實際利率確認，惟利息確認並不重大的短期應收款項除外。

###### 金融資產減值

金融資產在各報告期末評估是否有減值跡象。倘有客觀證據表明，由於一件或多件於初步確認貸款及應收款項後發生的事項，貸款及應收款項的估計未來現金流量受到影響，則金融資產被視為減值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (continued)

#### Financial assets (continued)

##### Impairment of financial assets (continued)

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of trade receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments past credit period, observable changes in national or local economic conditions that correlate with default on trade receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets carried at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### 4. 主要會計政策(續)

#### 金融工具(續)

#### 金融資產(續)

##### 金融資產減值(續)

就貸款及應收款項而言，客觀減值證據可能包括：

- 發行人或交易對方出現嚴重財務困難；或
- 違反合約，例如欠繳或拖欠利息或本金付款；或
- 借款人很有可能將宣告破產或進行財務重組。

貿易應收款項組合的客觀減值證據可能包括本集團過往收取款項的經驗、超過信貸期的延遲付款數目增加、與拖欠貿易應收款項相關的全國或地方經濟狀況的可觀察變動。

就按攤銷成本列賬的金融資產而言，已確認的減值虧損金額按資產賬面值與按該金融資產原訂實際利率貼現的估計未來現金流量現值之間的差額確認。

所有金融資產的賬面值會直接按減值虧損予以調減，惟貿易應收款項除外，其賬面值乃透過使用撥備賬調減。撥備賬的賬面值變動於損益中確認。倘貿易應收款項被視為無法收回，則對撥備賬進行撇銷。先前撇銷的金額如於其後收回，則計入損益。

就按攤銷成本列賬的金融資產而言，倘於其後期間，減值虧損金額減少，而有關減少客觀上與確認減值後發生的事件有關，則過往確認的減值虧損會透過損益撥回，惟減值撥回當日投資賬面值不得超過假設減值並無確認時的攤銷成本。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (continued)

##### Financial liabilities and equity instruments

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

##### Equity instruments

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

##### Effective interest method

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

Interest expense is recognised on an effective interest basis for debt instruments.

##### Financial liabilities

The Group's financial liabilities including trade payables and other payables and accrued charges are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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

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

### 4. 主要會計政策(續)

#### 金融工具(續)

##### 金融負債及股本工具

由本集團所發行的債務及股本工具乃根據合約安排的內容及金融負債及股本工具的定義分類為金融負債或股本。

##### 股本工具

股本工具乃證明集團實體資產於扣除其所有負債後的剩餘權益的任何合約。本公司發行的股本工具按收取的所得款項扣除直接發行成本確認。

##### 實際利率法

實際利率法是計算金融負債攤銷成本以及在有關期間內分配利息開支的一種方法。實際利率是指將金融負債預計年期或更短期間內(如適用)的估計未來現金付款(包括所有構成實際利率組成部分的已付或已收費用及百分點、交易成本以及其他溢價或折讓)準確貼現至初步確認時的賬面淨值的利率。

債務工具的利息開支按實際利率法確認。

##### 金融負債

本集團的金融負債(包括貿易應付款項及其他應付款項以及應計費用)其後採用實際利率法按攤銷成本計量。

##### 終止確認

僅在獲取資產所產生現金流量的合約權利到期時,本集團方會終止確認金融資產。

於終止確認金融資產時,資產的賬面值與已收及應收代價總和之間的差額於損益確認。

僅在本集團的義務已經履行、撤銷或到期時,本集團方會終止確認金融負債。終止確認的金融負債的賬面值與已付及應付代價之間的差額在損益中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Retirement benefits costs

Payments to the Occupational Retirement Scheme Ordinance (the “ORSO Scheme”) and the Mandatory Provident Fund Scheme (“MPF Scheme”) as defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period that related services is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to the end of each of the reporting period.

#### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

#### Taxation

Taxation represents the sum of the income tax expense currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before taxation’ as reported in the consolidated statement of profit or loss and other comprehensive income because 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 each reporting period.

### 4. 主要會計政策(續)

#### 退休福利成本

對作為界定供款計劃的職業退休計劃條例計劃(「職業退休計劃條例計劃」)及強制性公積金計劃(「強積金計劃」)的付款乃於僱員提供服務使其有權獲得供款時確認為開支。

#### 短期及其他長期僱員福利

僱員有關工資及薪金、年假及病假的應計福利乃於提供有關服務期間，按預期將就換取該服務而支付的未貼現福利金額確認負債。

就短期僱員福利確認的負債乃按預期將就換取有關服務而支付的未貼現福利金額計量。

就其他長期僱員福利確認的負債，按預期本集團將就僱員直至各報告日期未提供的服務而作出的估計未來現金流出的現值計量。

#### 租賃

凡租賃條款將擁有權的絕大部分風險及回報轉移至承租人的租賃，均分類為融資租賃。所有其他租賃則分類為經營租賃。

#### 本集團作為承租人

經營租賃付款乃於租期內以直線法確認為開支。

#### 稅項

稅項指即期應付所得稅開支與遞延稅項的總和。

即期應付稅項根據年內應課稅溢利計算。應課稅溢利與綜合損益及其他全面收入表內呈報的「除稅前溢利」有別，乃由於其他年度的應課稅或可扣稅收支及毋須課稅及不可扣稅的項目。本集團的即期稅項負債使用於各報告期末已頒佈或實質上已頒佈的稅率計算。

# Notes to the Consolidated Financial Statements

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For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Taxation (continued)

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. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences 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.

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

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

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

Current and deferred tax are recognised in profit or loss.

#### Research expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

#### Foreign currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

### 4. 主要會計政策(續)

#### 稅項(續)

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利時採用相應稅基之間的差額確認。遞延稅項負債一般就所有應課稅暫時差額進行確認。倘可扣減暫時差額可用以抵銷應課稅溢利，遞延稅項資產一般就所有可扣減暫時差額進行確認。若因商譽或初步確認並無影響應課稅溢利及會計溢利的一項交易中其他資產及負債(業務合併除外)而產生暫時差額，則不會確認該等資產及負債。

遞延稅項資產的賬面值於各報告期末審閱，並於不可能有足夠應課稅溢利收回全部或部分資產時予以調減。

遞延稅項資產及負債按預期將於清償負債或變現資產期間採用的稅率基於各報告期末已頒佈或實質上已頒佈的稅率(及稅法)計量。

遞延稅項負債及資產的計量，反映本集團於各報告期末預期收回資產或清償負債賬面值的方式所導致的稅務後果。

即期及遞延稅項於損益確認。

#### 研究開支

研究活動的開支於其產生的年度內被確認為費用。

#### 外幣

編製本集團的綜合財務報表時，以該實體功能貨幣以外的貨幣(外幣)進行的交易須按交易當日的現行匯率確認。於各報告期末，以外幣計值的貨幣項目均按該日現行匯率重新換算。以外幣按歷史成本計量的非貨幣項目毋須重新換算。

因結算貨幣項目及重新換算貨幣項目而產生的匯兌差額均於產生期間於損益確認。

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## 綜合財務報表附註

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### 5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

#### E&M engineering solutions and services contracts

The Group reviews and revises the estimates of contract revenue, contract costs, variation orders and contract claims prepared for each E&M engineering solutions and services contract as the contract progresses. Budgeted contract costs are prepared by the management on the basis of quotations from time to time provided by the major subcontractors, suppliers or vendors involved and the experience of the management. In order to keep the budget accurate and up-to-date, the management conducts periodic reviews of the budgets of contracts by comparing the budgeted amounts to the actual amounts incurred. Such significant estimate may have impact on the profit recognised in each period with adjustments made on a prospective basis.

Recognised amounts of E&M engineering solutions and services contract revenue and related receivables reflect management's best estimate of each contract's outcome and stage of completion, which are determined on the basis of a number of estimates. This includes the assessment of the profitability of on-going E&M engineering solutions and services contracts.

For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty. The actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of each of the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date with adjustments made on a prospective basis.

#### Recoverability of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition, where applicable). Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss/ further impairment loss may arise. As at 31 March 2018, the carrying amount of trade receivable was HK\$44,853,000 (net of allowance for doubtful debts of HK\$nil) (2017: carrying amount of HK\$31,478,000, net of allowance for doubtful debts of HK\$ nil).

### 5. 估計不確定因素的主要來源

於應用附註4所載本集團會計政策時，管理層須就未能從其他來源取得的資產及負債賬面值作出判斷、估計及假設。該等估計及有關假設乃根據過往經驗及其他被認為相關的因素而作出。實際結果與該等估計或有所不同。

有關估計及相關假設須按持續基準檢討。若會計估計的修訂只影響該期間，則該修訂於該期間內確認，或如該修訂影響本期及未來期間，則於修訂及未來期間內確認。

以下為於各報告期末或會導致資產賬面值於下一個財政年度內作出重大調整的重大風險的有關估計不確定因素未來及其他主要來源的主要假設。

#### 機電工程解決方案及服務合約

隨著合約工程進度，本集團檢討及修訂就每一份機電工程解決方案及服務合約編製的合約收益、合約成本、更改工程指令及合約索償估計。合約成本預算由管理層以主要分包商、供應商或涉及的賣方不時提供的報價及管理層的經驗為基礎而編製。為確保預算準確及更新，管理層通過比較預算金額與所產生實際金額，定期對合約預算進行檢討。有關重大估計或會對各期間所確認的損益造成影響，按預期基準作出調整。

機電工程解決方案及服務合約收益及相關應收款項的已確認金額反映管理層對各合約的結果及完成階段的最佳估計，乃基於若干估計釐定。這包括評估持續經營之機電工程解決方案及服務合約的盈利能力。

特別對較複雜的合約而言，完成成本及合約盈利能力受限於重大估計不明朗因素。總成本或總收益之實際結果可能高於或低於各報告期間作出之估計，從而將影響未來年度作為迄今記錄金額的調整而確認之收益及溢利，按預期基準作出調整。

#### 貿易應收款項的可收回性

當有減值虧損的客觀證據時，本集團會考慮未來現金流量的估計。減值虧損金額按該項資產賬面值與按該金融資產的原實際利率（即於初步確認時計算的實際利率，如適用）貼現的估計未來現金流量的現值（不包括並未產生的未來信貸虧損）的差額計量。當未來現金流量低於預期或由於事實或情形出現變化而進行下調時，則可能產生重大減值虧損/進一步減值虧損。於二零一八年三月三十一日，貿易應收款項的賬面值為44,853,000港元（扣除呆賬撥備零港元）（二零一七年：賬面值31,478,000港元，扣除呆賬撥備零港元）。

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### 6. REVENUE AND SEGMENTAL INFORMATION

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

E&M engineering solutions and services (Note a)	機電工程解決方案及服務(附註a)
E&M engineering maintenance services	機電工程保養服務
E&M engineering design and fabrication services (Note b)	機電工程設計及裝配服務(附註b)
Sales of parts and component	銷售零件及部件

Notes:

- (a) Amount represents revenue generated from design, supply, installation of systems and implementation of E&M engineering solutions and services, including revenue generated from design and fabrication services for the fabrication of made-to-order products for the customers, where applicable ("E&M engineering solutions and services").
- (b) Amount represents revenue generated from design and fabrication services for the fabrication of made-to-order products for the customers, such as control room consoles, public access kiosks and terminals, relay racks, test rigs, control room technical furniture and industrial enclosures and instrument cabinets, and also the conducting of ergonomic and work place studies without supply, installation of systems and implementation of E&M engineering solutions and services ("E&M engineering design and fabrication services").

#### Segment information

The Group's operations is solely derived from E&M engineering solutions and services, E&M engineering maintenance services with focus on (i) automatic fare collection system at railway stations; (ii) electronic payment and ticketing system; (iii) road and tunnel toll collection system; (iv) traffic control and surveillance system; and (v) railway signaling communication and control system, E&M engineering design and fabrication services and sales of parts and components during both years. For the purposes of resources allocation and performance assessment, the chief operation decision maker (i.e. the executive directors of the Company) (the "CODM") reviews the overall results and financial position of the Group as a whole which is prepared based on the same accounting policies as set out in note 4. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

### 6. 收益及分部資料

本集團於兩個年度的收益分析如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
E&M engineering solutions and services	164,789	131,288
E&M engineering maintenance services	20,100	22,345
E&M engineering design and fabrication services	7,031	13,388
Sales of parts and component	2,053	4,095
	<b>193,973</b>	<b>171,116</b>

附註：

- (a) 該款項指設計、供應、安裝系統及執行機電工程解決方案及服務所產生的收益，包括為客戶定製的產品設計及裝配服務所錄得的收益(如適用)(「機電解決方案及服務」)。
- (b) 該款項指從有關為客戶製造定制產品(例如控制室控制台、公用關卡及終端、繼電器機架、試驗台、控制室技術傢俬及工業外殼及儀器櫃，且亦進行人類工程學及工作場所研究)的設計及裝配服務(並無供應、安裝系統及執行機電工程解決方案及服務)(「機電工程設計及裝配服務」)所錄得的收益。

#### 分部資料

在兩個年度，本集團的經營僅來自機電工程解決方案及服務、機電工程保養服務，專注於(i)鐵路車站的自動收費系統；(ii)電子支付及票務系統；(iii)公路及隧道車輛繳費系統；(iv)交通管制及監察系統；及(v)軌道信號通訊及控制系統，機電工程設計及裝配服務及銷售零件及部件。就資源分配及表現評估而言，主要經營決策者(即本公司執行董事)(「主要經營決策者」)審閱本集團的整體業績及財務狀況(乃基於附註4所載相同會計政策編製)。因此，本集團僅有一個單一經營分部及並無進一步呈列該單一分部的分析。

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## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 6. REVENUE AND SEGMENTAL INFORMATION (CONTINUED)

#### Geographical information

The Group's revenue from external customers based on place of operation of customers and non-current assets by jurisdictions based on the location of the assets are detailed below:

Hong Kong	香港
Taiwan	台灣
Singapore	新加坡
Canada	加拿大
Others	其他

Note: Non-current assets excluded financial instruments.

#### Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

Customer A	客戶 A
Customer B	客戶 B

Other than disclosed above, there was no revenue from customers individually contributing over 10% of the total revenue of the Group during years ended 31 March 2018 and 2017.

### 6. 收益及分部資料(續)

#### 地區資料

本集團來自外部客戶(基於客戶營運所在地)的收益及按司法權區(基於資產所在位置)劃分的非流動資產詳述如下:

Revenue		Non-current assets	
收益		非流動資產	
2018	2017	2018	2017
二零一八年	二零一七年	二零一八年	二零一七年
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元
<b>191,606</b>	161,996	<b>3,312</b>	2,386
<b>1,110</b>	2,493	-	-
<b>104</b>	51	-	-
<b>710</b>	6,503	-	-
<b>443</b>	73	-	-
<b>193,973</b>	171,116	<b>3,312</b>	2,386

附註：非流動資產不包括金融工具。

#### 有關主要客戶的資料

於相關年度來自佔本集團總銷售額10%以上之客戶收益如下:

2018	2017
二零一八年	二零一七年
HK\$'000	HK\$'000
千港元	千港元
<b>111,643</b>	104,318
<b>19,670</b>	21,433

除上文所披露者外，於截至二零一八年及二零一七年三月三十一日止年度，概無來自單一客戶的收益佔本集團總收益10%以上。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 7. OTHER INCOME AND GAIN AND LOSSES, NET

#### Other income

Bank interest income	銀行利息收入
Government subsidies (Note a)	政府補助(附註a)
Reversal of over-accrued payables in prior year (Note b)	撥回過往年度超額應計的應付款項(附註b)
Sundry income	雜項收入

#### Other gain and losses, net

Gain (loss) on disposal of property, plant and equipment	出售物業、廠房及設備收益(虧損)
Net foreign exchange gain (loss)	外匯收益(虧損)淨額

#### Notes:

- (a) Amount represents subsidies received from the Government of Hong Kong Special Administrative Region ("HKSAR") for the Group's participation in Youth Employment and Training Programme, which is initiated by the Labour Department of HKSAR.
- (b) Amounts represented payables accrued in prior years which were reversed during the year ended 31 March 2017 as the suppliers did not issue invoices and request for payments for more than seven years for the goods purchased or services consumed by the Group and therefore, in the opinion of directors of the Company, the possibility of being demanded for payments was remote. Other than that, the Group had settled all the invoices issued by the suppliers in prior years.

### 7. 其他收入及收益以及虧損淨額

#### 其他收入

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank interest income	197	165
Government subsidies (Note a)	106	-
Reversal of over-accrued payables in prior year (Note b)	-	403
Sundry income	71	44
	<b>374</b>	<b>612</b>

#### 其他收益及虧損淨額

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Gain (loss) on disposal of property, plant and equipment	7	(219)
Net foreign exchange gain (loss)	291	(82)
	<b>298</b>	<b>(301)</b>

#### 附註：

- (a) 該款項指就本集團參加香港特別行政區(「香港特別行政區」)勞工處發起的青年就業及培訓計劃收取香港特別行政區政府的補助。
- (b) 該款項指過往年度應計的應付款項，其於截至二零一七年三月三十一日止年度被撥回，由於供應商超過七年並無就本集團採購的貨品或使用的服務出具發票及要求付款，因此本公司董事認為要求付款的可能性甚微。除上述者外，本集團於過往年度已結清供應商發出的所有發票。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

#### (a) Directors' and chief executive's emoluments

Mr. KL Luk and Mr. YC Luk were appointed as executive directors of the Company on 5 May 2017, Mr. KM Luk and Mr. Chan Chak Lun ("Mr. CL Chan") were appointed as executive directors of the Company on 9 June 2017. Mr. Lau On Kwok ("Mr. Lau"), Mr. Law Wing Chi, Stephen ("Mr. Law") and Dr. Tse Chi Kong ("Dr. Tse") were appointed as independent non-executive directors of the Company on 20 September 2017. The emoluments paid or payable to the directors of the Company (including emoluments for services as employee/directors of the group entities prior to becoming the directors of the Company) by the entities comprising the Group during the years ended 31 March 2018 and 2017 as:

	截至二零一八年三月三十一日止年度
Year ended 31 March 2018	截至二零一八年三月三十一日止年度
Fees	袍金
Other emoluments	其他薪酬
Salaries and allowances	薪金及津貼
Bonus (Note b)	花紅(附註b)
Retirement benefit scheme contributions	退休福利計劃供款
Total emoluments	薪酬總額
Year ended 31 March 2017	截至二零一七年三月三十一日止年度
Fees	袍金
Other emoluments	其他薪酬
Salaries and allowances	薪金及津貼
Retirement benefit scheme contributions	退休福利計劃供款
Total emoluments	薪酬總額

Notes:

- (a) The amount for the year ended 31 March 2017 represented management and consultation service fee paid to K.M. Luk & Engineers Limited, a company jointly controlled by Mr. KM Luk, Madam Leung, Mr. KL Luk and Mr. YC Luk, in respect of management and consultation service rendered by Mr. KM Luk and his spouse, Madam Leung, both of them are employees of K.M. Luk & Engineers Limited.
- (b) Performance bonus is determined by reference to the duties and responsibilities of relevant individual within the Group and the Group's performance.

The emoluments of executive directors were for their services in connection with management of the affairs of the Company and the Group.

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

### 8. 董事及僱員薪酬

#### (a) 董事及主要行政人員薪酬

於二零一七年五月五日，陸季農先生及陸彥彰先生獲委任為公司董事。於二零一七年六月九日，陸鑑明先生及陳澤麟先生(「陳澤麟先生」)獲委任為本公司執行董事。於二零一七年九月二十日，劉安國先生(「劉先生」)、羅永志先生(「羅先生」)及謝智剛博士(「謝博士」)獲委任為本公司獨立非執行董事。於截至二零一八年及二零一七年三月三十一日止年度組成本集團之實體已付或應付本公司董事的薪酬(包括於成為本公司董事之前作為集團實體僱員/董事之薪酬)如下：

	Mr. KM Luk	Mr. KL Luk	Mr. YC Luk	Mr. CL Chan	Mr. Lau	Mr. Law	Dr. Tse	Total
	陸鑑明先生	陸季農先生	陸彥彰先生	陳澤麟先生	劉先生	羅先生	謝博士	總計
	HK\$'000	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	千港元
	(Note a)							
	(附註a)							
Year ended 31 March 2018								
Fees	-	60	60	60	66	66	66	378
Other emoluments								
Salaries and allowances	1,068	550	520	1,140	-	-	-	3,278
Bonus (Note b)	-	61	68	117	-	-	-	246
Retirement benefit scheme contributions	-	18	18	91	-	-	-	127
Total emoluments	1,068	689	666	1,408	66	66	66	4,029
Year ended 31 March 2017								
Fees	-	60	60	60	-	-	-	180
Other emoluments								
Salaries and allowances	1,308	520	490	1,104	-	-	-	3,422
Retirement benefit scheme contributions	-	18	18	88	-	-	-	124
Total emoluments	1,308	598	568	1,252	-	-	-	3,726

附註：

- (a) 截至二零一七年三月三十一日止年度款項指就陸鑑明先生及彼配偶(梁女士)(均為陸鑑明工程有限公司僱員)提供的管理及諮詢服務支付予陸鑑明工程有限公司(一間由陸鑑明先生、梁女士、陸季農先生及陸彥彰先生共同控制的公司)的管理及諮詢服務費。
- (b) 表現花紅乃參考本集團內有關個人的職責及責任以及本集團的表現後釐定。

執行董事薪酬乃就彼等管理本公司及本集團事務提供之服務而發出。

獨立非執行董事薪酬乃就彼等作為本公司董事提供之服務而發出。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

#### (a) Directors' and chief executive's emoluments (continued)

During the years ended 31 March 2018 and 2017, no remuneration was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company have waived any remuneration during the years ended 31 March 2018 and 2017.

#### (b) Employees' emoluments

The five highest paid individuals included two directors of the Company whose emoluments are included in the disclosures in (a) above for the years ended 31 March 2018 and 2017. The emoluments of the remaining three individuals for the years ended 31 March 2018 and 2017, respectively were as follows:

Salaries and other benefits	薪金及其他福利
Bonus (Note)	花紅(附註)
Retirement benefit scheme contributions	退休福利計劃供款

Note: Performance bonus is determined by reference to the duties and responsibilities of relevant individual within the Group and the Group's performance.

Their emoluments were within the following bands:

Nil to HK\$1,000,000	零至 1,000,000 港元
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元

During the years ended 31 March 2018 and 2017, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

### 8. 董事及僱員薪酬(續)

#### (a) 董事及主要行政人員薪酬(續)

於截至二零一八年及二零一七年三月三十一日止年度，本集團並無向本公司董事支付薪酬作為吸引彼等加入或於加入本集團時的獎勵或作為離職賠償。於截至二零一八年及二零一七年三月三十一日止年度，概無本公司董事放棄任何薪酬。

#### (b) 僱員薪酬

五名最高薪人士包括於截至二零一八年及二零一七年三月三十一日止年度酬金計入上文(a)披露中的本公司兩名董事。於截至二零一八年及二零一七年三月三十一日止年度，其餘三名人士的薪酬分別如下：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
2,740	2,689
123	25
54	54
<b>2,917</b>	<b>2,768</b>

附註：表現花紅乃參考本集團內有關個人的職責及責任以及本集團的表現後釐定。

彼等的薪酬在以下範圍之內：

2018 二零一八年	2017 二零一七年
2	2
1	1

於截至二零一八年及二零一七年三月三十一日止年度，本集團並無向五名最高薪人士支付薪酬，作為吸引彼等加入或加入本集團後的獎勵或作為離職補償。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 9. PROFIT BEFORE TAXATION

### 9. 除稅前(虧損)溢利

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit before taxation has been arrived at after charging (crediting):	除稅前溢利經扣除(計入)以下各項達致:		
Auditor's remuneration	核數師薪酬	1,100	386
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,007	1,093
Directors' remuneration (Note 8)	董事酬金(附註8)	4,029	3,726
Other staff costs	其他員工成本		
Salaries and other benefits	薪金及其他福利	68,859	65,640
Retirement benefits scheme contributions	退休福利計劃供款	2,763	2,850
Total staff costs	員工成本總額	75,651	72,216
Contract costs recognised as expense	確認為開支的合約成本		
– E&M engineering solutions and services	– 機電工程解決方案及服務	117,264	91,206
Lease payments under operating leases in respect of:	經營租賃項下有關下列的租賃付款:		
– office premises	– 辦公室物業	5,459	4,376
– motor vehicles	– 汽車	26	103
Net foreign exchange (gain) loss	匯兌虧損(收益)淨額	(291)	82
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)虧損	(7)	219

### 10. 所得稅開支

### 10. INCOME TAX EXPENSE

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current tax:	即期稅項:		
Hong Kong	香港	2,701	2,735
Deferred tax (Note 20)	遞延稅項(附註20)	157	3
		2,858	2,738

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

於兩個年度，香港利得稅按估計應課稅溢利的16.5%計算。

The Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands ("BVI") pursuant to the rules and regulations in those jurisdictions.

根據於該等司法權區的規則及規例，本集團於開曼群島及英屬處女群島(「英屬處女群島」)無須繳納任何所得稅。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 10. INCOME TAX EXPENSE (CONTINUED)

The tax charge for both years can be reconciled to the profit before taxation as follows:

Profit before taxation	除稅前溢利
Tax at the domestic income tax rate of 16.5%	按國內所得稅率 16.5% 計算之稅項
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響
One-off tax reduction (Note)	一次性稅項減免(附註)
Tax charge for the year	本年度稅項開支

Note: Amount represents the one-off reduction of profits tax for the both years proposed by the Financial Secretary of HKSAR.

### 11. DIVIDEND

During the year ended 31 March 2018, the Company declared and paid special dividend of HK\$25,000,000 to the Controlling Shareholders.

Other than disclosed above, no dividend was paid or declared by any group entity during both years.

### 10. 所得稅開支(續)

於兩個年度收取的稅項可與除稅前溢利對賬如下：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>712</b>	16,065
<b>117</b>	2,651
<b>(80)</b>	(29)
<b>2,881</b>	156
<b>(60)</b>	(40)
<b>2,858</b>	2,738

附註：該款項指香港特別行政區財政司司長建議兩個年度之一次性溢利減免。

### 11. 股息

於截至二零一八年三月三十一日止年度，本公司已宣派及派付特別股息25,000,000港元予控股股東。

除上文所披露者外，於兩個年度，概無任何集團實體派付及宣派股息。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 12. (LOSS) EARNINGS PER SHARE

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

(Loss) earnings:	(虧損) 盈利：
(Loss) earnings for the purpose of calculating basic (loss) earnings per share	用作計算每股基本(虧損)盈利之(虧損)盈利
– (Loss) profit for the year attributable to the owners of the Company	– 本公司擁有人應佔年內(虧損)溢利

Weighted average number of shares:	股份加權平均數：
Number of ordinary shares for the purpose of calculating basic (loss) earnings per share	用作計算每股基本(虧損)盈利之普通股數目

The weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share has been determined on the assumption that the Reorganisation, the Capitalisation Issue and Share Offer as defined and described in notes 2 and 22 respectively had been effective on 1 April 2016.

No diluted (loss) earnings per share for both years were presented as there were no potential ordinary shares in issue during both years.

### 12. 每股(虧損)盈利

本公司擁有人應佔每股基本(虧損)盈利乃基於以下數據計算：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(2,146)	13,327
'000 千股	'000 千股
345,753	300,000

就計算每股基本(虧損)盈利而言的普通股加權平均數乃基於附註2及22分別界定及描述的重組、資本化發行及股份發售於二零一六年四月一日已生效的假設而釐定。

由於該兩個年度內並無已發行潛在普通股，故於兩個年度內並無呈列每股攤薄(虧損)盈利。

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## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 13. PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、廠房及設備

		Furniture						Total 總計
		Computer equipment 電腦設備 HK\$'000 千港元	Leasehold improvement 租賃物業裝修 HK\$'000 千港元	and fixture 及固定裝置 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Cruiser 小型快艇 HK\$'000 千港元	
<b>Cost</b>	<b>成本</b>							
As at 1 April 2016	於二零一六年四月一日	6,253	1,258	566	4,156	1,930	-	14,163
Additions	添置	234	342	33	262	333	364	1,568
Disposals	出售	-	(498)	-	(303)	-	-	(801)
As at 31 March 2017	於二零一七年三月三十一日	6,487	1,102	599	4,115	2,263	364	14,930
Additions	添置	461	549	239	684	-	-	1,933
Disposals	出售	(98)	-	-	-	-	-	(98)
As at 31 March 2018	於二零一八年三月三十一日	6,850	1,651	838	4,799	2,263	364	16,765
<b>ACCUMULATED DEPRECIATION</b>	<b>累計折舊</b>							
As at 1 April 2016	於二零一六年四月一日	5,488	819	487	3,733	1,506	-	12,033
Provided	撥備	340	101	52	210	317	73	1,093
Eliminated on disposal	於出售時對銷	-	(326)	-	(256)	-	-	(582)
As at 31 March 2017	於二零一七年三月三十一日	5,828	594	539	3,687	1,823	73	12,544
Provided	撥備	353	154	56	218	153	73	1,007
Eliminated on disposal	於出售時對銷	(98)	-	-	-	-	-	(98)
As at 31 March 2018	於二零一八年三月三十一日	6,083	748	595	3,905	1,976	146	13,453
<b>NET CARRYING VALUES</b>	<b>賬面淨值</b>							
As at 31 March 2018	於二零一八年三月三十一日	767	903	243	894	287	218	3,312
As at 31 March 2017	於二零一七年三月三十一日	659	508	60	428	440	291	2,386

The above items of property, plant and equipment are depreciated on a straight-line basis at 20% per annum.

上述物業、廠房及設備項目以直線法基準按每年20%折舊。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 14. TRADE RECEIVABLES

The Group grants credit terms of 30 to 60 days to its customers from the date of invoices on progress billings of contract and maintenance works and sales of goods. An aged analysis of the trade receivables presented based on the invoice date at the end of the reporting period.

0-30 days	0至30日
31-60 days	31至60日
61-90 days	61至90日
Over 90 days	超過90日

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributable to customers are reviewed regularly. As at 31 March 2018, approximately 48% (2017: 80%) of trade receivables are neither past due nor impaired have good credit quality. These customers have no default of payment in the past.

The Group has a policy for allowance of bad and doubtful debts which is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement including the creditworthiness and the past collection history of each customer.

Included in the Group's trade receivables are debtors with aggregate carrying amount of approximately HK\$23,547,000 (2017: HK\$6,169,000) which are past due at 31 March 2018, for which the Group has not provided for impairment loss as there has not been a significant change in credit quality of the trade receivable and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

### 14. 貿易應收款項

本集團自合約及維修工程進度款項發票日期及銷售貨品起向其客戶授出30日至60日的信貸期。於報告期末基於發票日期呈列貿易應收款項賬齡分析。

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>17,118</b>	20,650
<b>19,370</b>	6,240
<b>2,700</b>	4,138
<b>5,665</b>	450
<b>44,853</b>	31,478

本集團於接納任何新客戶前評估潛在客戶的信用質素及界定其信貸限額。客戶的信貸限額會定期檢討。於二零一八年三月三十一日，約48%（二零一七年：80%）貿易應收款項既無逾期亦無減值，信用質素良好。該等客戶於過去並無欠付款項。

本集團訂有呆壞賬撥備政策，該政策基於款項的可收回性評估及賬齡分析以及管理層的判斷（包括各客戶的信譽及過往收款記錄）作出。

於二零一八年三月三十一日，計入本集團貿易應收款項的應收賬項（均已逾期）賬面總值約為23,547,000港元（二零一七年：6,169,000港元），由於貿易應收款項的信用質素並無重大變動，且有關款項仍被視作可予收回，本集團並無就此作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。

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## 綜合財務報表附註

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### 14. TRADE RECEIVABLES (CONTINUED)

Ageing analysis of trade receivables which are past due but not impaired based on the invoice date at the end of the reporting period.

31-60 days	31 至 60 日
61-90 days	61 至 90 日
Over 90 days	超過 90 日
Total	總計

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of each reporting period. The trade receivables past due but not provided for as at the end of each reporting period were either subsequently settled or from customers with no history of default. The directors of the Company believe no further credit provision is required in excess of the allowance for doubtful debts. No impairment loss of trade receivables recognised as at 31 March 2018.

Trade receivables of HK\$209,000 (2017: HK\$215,000) were denominated in United States Dollars ("USD") at 31 March 2018.

### 14. 貿易應收款項(續)

於報告期末基於發票日期作出的已逾期但未減值的貿易應收款項賬齡分析如下：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
15,182	1,581
2,700	4,138
5,665	450
23,547	6,169

釐定貿易應收款項可收回性時，本集團考慮自初步授出信貸日期起直至各報告期末止貿易應收款項信貸質素的任何變動。於各報告期末已逾期但並無撥備的貿易應收款項為其後已結清，或來自過往並無拖欠的客戶。本公司董事認為，毋須就超出呆賬撥備進一步作出更多信貸撥備。於截至二零一八年三月三十一日止貿易應收款項並無確認減值。

於二零一八年三月三十一日，貿易應收款項209,000港元(二零一七年：215,000港元)以美元(「美元」)列值。

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## 綜合財務報表附註

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### 15. RETENTION RECEIVABLES/OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

### 15. 應收保留金／其他應收款項、按金及預付款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current:	非即期：		
Retention receivables (Note)	應收保留金(附註)	9,361	6,085
Deposits	按金	1,335	693
Total	總計	10,696	6,778
Current:	即期：		
Retention receivables (Note)	應收保留金(附註)	7,428	5,262
Advances to suppliers	墊款予供應商	5,144	1,533
Deposits	按金	38	651
Staff advances	員工墊款	293	425
Prepayments	預付款項	1,063	677
Prepaid listing expenses	預付上市開支	-	362
Deferred listing expense	遞延上市開支	-	185
ORSO received (defined in note 25)	職業退休計劃條例應收款項(定義見附註25)	768	203
Other receivables	其他應收款項	59	35
Total	總計	7,365	4,071
		25,489	16,111

Note: Retention monies withheld by customers of contract works are unsecured, interest-free and recoverable after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts, which is mostly within 1 year from the date of completion of respective E&M engineering solutions and services projects. In the opinion of the directors of the Company, the retention receivables to be received after 1 year are classified as non-current assets in consolidated statements of financial position since it is not expected to realise the retention receivables in the Group's normal operating cycle.

附註：客戶扣留的合約工程保留金為無抵押、免息及於相關合約維修期完成後或根據相關合約規定條款可予收回，大多數為自相關機電工程解決方案和服務項目完成日期起計的1年內可收回。本公司董事認為，於一年之後收取的應收保留金於綜合財務狀況表被分類為非流動資產，因為預期於本集團正常經營週期內不會變現應收保留金。

The retention receivables are to be settled, based on the expiry of the defects liability period, at the end of each reporting period:

應收保留金於各報告期末基於保修期屆滿後結算：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
On demand or within one year	按要求或於一年內	7,428	5,262
After one year	於一年後	9,361	6,085
		16,789	11,347

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### 16. AMOUNTS DUE FROM/TO CUSTOMERS FOR CONTRACT WORKS

Contracts in progress at the end of the reporting period: 於報告期末進行中合約：

Actual costs incurred plus recognised profits less recognised losses 已產生實際成本加已確認溢利減已確認虧損  
Less: Progress billings 減：進度款項

Analysed as: 分析為：

Amounts due from customers for contract works 應收合約工程客戶款項

Amounts due to customers for contract works 應付合約工程客戶款項

### 16. 應收／應付合約工程客戶款項

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	<b>326,274</b>	211,051
	<b>(320,071)</b>	(198,065)
	<b>6,203</b>	12,986
	<b>27,225</b>	32,243
	<b>(21,022)</b>	(19,257)
	<b>6,203</b>	12,986

### 17. TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS/PLEDGED BANK DEPOSIT/BANK BALANCES AND CASH

As at 31 March 2018, bank balances and cash comprise cash held by the Group and bank deposit carry interest at market rates which range from 0.01% to 3.36% per annum (2017: 0.01% to 1.20% per annum), with an original maturity of three months or less.

As at 31 March 2018, pledged bank deposit represented deposit pledged to a bank to secure a bank facility granted by a bank to the Group, carried fixed interest rate of 0.01% per annum.

As at 31 March 2018, time deposits with original maturity over three months comprise bank deposits of fixed interest rates ranged from 0.69% to 1.28% per annum.

The Group's short-term time deposits, pledged bank deposit and bank balances and cash that are denominated in currencies which are not the functional currency of the Group are set out below:

### 17. 原到期日超過三個月的定期存款、有抵押銀行存款以及銀行結餘及現金

於二零一八年三月三十一日，銀行結餘及現金包括本集團所持現金及原到期日為三個月或以下銀行存款按介乎0.01%至3.36%（二零一七年：0.01%至1.20%）的市場年利率計息。

於二零一八年三月三十一日，有抵押銀行存款指抵押予銀行以為銀行向本集團授出的銀行融資作抵押，按固定年利率0.01%計息。

於二零一八年三月三十一日，原到期日超過三個月的定期存款包括每年固定利率介乎0.69%至1.28%的銀行存款。

以下載列本集團並非以本集團功能貨幣計值的短期定期銀行存款、有抵押銀行存款及銀行結餘及現金：

		As at 31 March 於三月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Euro ("EUR")	歐元（「歐元」）	<b>582</b>	146
Renminbi ("RMB")	人民幣（「人民幣」）	<b>2,810</b>	2,461
USD	美元	<b>677</b>	1,713
New Taiwan Dollars ("NTD")	新台幣（「新台幣」）	<b>376</b>	478

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## 綜合財務報表附註

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### 18. TRADE PAYABLES

The credit period on purchases and subcontracting of contract work services ranges from 30 to 60 days. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

Trade payables:	貿易應付款項：
0-30 days	0至30日
31-60 days	31至60日
61-90 days	61至90日
91-365 days	91至365日
Over 365 days	超過365日

As at 31 March 2018 and 2017, included in the trade payables aged over 365 days was an amount of HK\$4,901,000, representing the full provision of the Group's contractual obligation, which was pending settlement as the Group was in dispute with the counterparty for final settlement. No reversal of this payable was recognised during the two years ended 31 March 2018 as the derecognition criteria in accordance with the Group's accounting policies does not meet.

As at 31 March 2018, trade payables of HK\$370,000 (2017: HK\$480,000) and HK\$98,000 (2017: HK\$38,000) were denominated in USD and NTD respectively.

### 19. OTHER PAYABLES AND ACCRUED CHARGES

Accrued staff costs	應計員工成本
Provision for annual leave	年假撥備
Provision for long service payments	長期服務金撥備
Retention payables (Note)	應付保留金(附註)
Accrued management service fee to Mr. KM Luk (Note 24)	應計管理服務費予陸鑑明先生(附註24)
Other accrued charges	其他應計費用
Other payable	其他應付款項

Note: Retention payables to sub-contractors of contract work are interest-free and payable by the Company after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranges from 1 to 2 years from the completion date of the respective E&M engineering solutions and services contracts.

### 18. 貿易應付款項

購買及分包合約工程服務的信貸期介乎30至60日。以下為於報告期末基於發票日期呈列的貿易應付款項賬齡分析：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
3,464	2,303
89	1,378
694	85
879	82
4,901	4,945
10,027	8,793

於二零一八年及二零一七年三月三十一日，計入貿易應付款項的賬齡超過365日的款項為4,901,000港元，指就本集團合約責任悉數撥備。該款項待結算，乃由於本集團與對手方就最終結算存在爭議所致。於截至二零一八年三月三十一日止兩個年度並無確認撥回該應付款項，因為根據本集團會計政策，其不符合取消確認標準。

於二零一八年三月三十一日，貿易應付款項370,000港元(二零一七年：480,000港元)及98,000港元(二零一七年：38,000港元)分別以美元及新台幣列值。

### 19. 其他應付款項及應計費用

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
4,207	4,083
2,309	2,241
760	965
2,455	1,861
-	508
1,861	886
-	1
11,592	10,545

附註：應付分包商的合約工程保留金為免息，須由本公司於相關合約維修期完成後或根據相關合約規定的條款支付，自相關機電工程解決方案和服務合約完成日期起計介乎1至2年。

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### 20. DEFERRED TAXATION

The following is the major deferred tax liabilities recognised and movements during the current and prior years.

At 1 April 2016	於二零一六年四月一日
Charge (credit) to profit or loss (Note 10)	扣除自(計入)損益(附註10)
At 31 March 2017	於二零一七年三月三十一日
Charge to profit or loss (Note 10)	扣除自損益(附註10)
At 31 March 2018	於二零一八年三月三十一日

### 20. 遞延稅項

以下為於本年度及過往年度確認的主要遞延稅項負債及變動。

Accelerated tax depreciation	Provision of long service payment	Total
加速稅項折舊	長期服務金撥備	總計
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
234	(146)	88
16	(13)	3
250	(159)	91
123	34	157
373	(125)	248

### 21. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Dividend payables	應付股息
Prepaid listing expenses	預付上市開支

Note: The cash flows represent the payment of dividend and costs incurred related to issue of new shares.

### 21. 融資活動所產生負債之對賬

As at 1 April 2017	Financing cash flows	Non-cash changes		As at 31 March 2018
		Dividend declared	Share issue costs incurred	
於二零一七年四月一日	融資現金流量	已宣派股息	已產生股份發行成本	於二零一八年三月三十一日
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
-	(25,000)	25,000	-	-
(90)	(8,173)	-	8,263	-

附註：現金流量指支付股息及有關發行新股份產生的成本。

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### 22. SHARE CAPITAL

The share capital of the Group at 1 April 2016 and 31 March 2017 represent the aggregate share capital of KML Engineering and KML Technology directly held by the Controlling Shareholders prior to the Reorganisation.

The share capital of the Group at 31 March 2018 represents the share capital of the Company as follows:

### 22. 股本

本集團於二零一六年四月一日及二零一七年三月三十一日的股本為控股股東於重組前直接持有高明科技工程及高萌科技的總股本。

本集團於二零一八年三月三十一日的股本指本公司的股本，其股本如下：

		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股		
Authorised:	法定：		
At 5 May 2017 (date of incorporation)	於二零一七年五月五日(註冊成立日期)	38,000	380
Addition (Note i)	添置(附註i)	3,762,000	37,620
At 31 March 2018	於二零一八年三月三十一日	3,800,000	38,000
Issued and fully paid:	已發行及悉數繳足：		
At 5 May 2017 (date of incorporation)	於二零一七年五月五日(註冊成立日期)	-	-
(Note ii)	(附註ii)		
Issue of shares as part of	作為於二零一七年九月六日		
Reorganisation on	重組之一部分發行股份(附註iii)		
6 September 2017 (Note iii)		10	-
Capitalisation Issue (Note iv)	資本化發行(附註iv)	299,990	3,000
Issue of shares on 16 October 2017	於二零一七年十月十六日透過股份		
by way of share offer and	發售及配售的方式發行股份(附註iv)		
placing (Note iv)		100,000	1,000
At 31 March 2018	於二零一八年三月三十一日	400,000	4,000

Notes:

- (i) On 29 September 2017, the authorised share capital of the Company was increased from HK\$380,000 to HK\$38,000,000 by the creation of a further 3,762,000,000 shares of HK\$0.01 each pursuant to a resolution passed on 20 September 2017.
- (ii) On date of incorporation, 1 share of HK\$0.01 was allotted and issued to KML Holdings at a subscription price of HK\$0.01.
- (iii) As part of the Reorganisation, the Company issued shares during the year which are detailed below:-
- (a) On 9 June 2017, 45, 35 and 19 shares of the Company were allocated and issued to KML Holdings, Mr. KM Luk and Madam Leung respectively, and
- (b) On 6 September 2017, the Company issued 4,554, 3,465 and 1,881 shares to KML Holdings, Mr. KM Luk and Madam Leung, respectively.
- (iv) The shares of the Company have been listed on the GEM of the Stock Exchange by way of share offer and placing on 16 October 2017. 100,000,000 shares of the Company of HK\$0.01 each were issued at an offer price of HK\$0.60 per share by way of share offer and placing (the "share offer"). On the same date, 299,990,000 of the Company's new shares were issued through capitalisation of HK\$2,999,900 standing to the credit of share premium account of the Company (the "Capitalisation Issue") to Controlling Shareholders.

附註：

- (i) 於二零一七年九月二十九日，根據於二零一七年九月二十日通過的決議案增設3,762,000股每股面值0.01港元的股份，本公司的法定股本從380,000港元增加至38,000,000港元。
- (ii) 於註冊成立日期，一股面值0.01港元的股份按0.01港元的認購價配發及發行予KML Holdings。
- (iii) 作為重組的一部分，本公司於下文詳述的年度發行股份：
- (a) 於二零一七年六月九日，45股、35股及19股本公司股份分別發行及配發予KML Holdings、陸鑑明先生及梁女士；及
- (b) 於二零一七年九月六日，本公司分別向KML Holdings、陸鑑明先生及梁女士分別發行4,554股、3,465股及1,881股股份。
- (iv) 本公司股份於二零一七年十月十六日通過股份發售及配售於聯交所GEM上市。本公司已透過股份發售及配售(「股份發售」)按每股發售價0.60港元發行100,000,000股每股面值0.01港元的股份。於同日，本公司透過資本化本公司股份溢價賬進賬額2,999,900港元向控股股東發行299,990,000股新股份(「資本化發行」)。

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### 23. OPERATING LEASE

#### The Group as lessee

The Group leases various office premises under non-cancellable operating lease agreements. The lease terms are between 2-5 years, and the majority of lease agreements are renewable at the end of the lease period at market rates.

As at 31 March 2018 and 2017, the Group had commitment for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Land and buildings	土地及樓宇
Within one year	於一年內
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)

### 23. 經營租賃

#### 本集團作為承租人

本集團租賃不可撤銷經營租賃協議項下的各項辦公室物業。租賃期限為2至5年，且大部分租賃協議可於租期末按市場費率續期。

於二零一八年及二零一七年三月三十一日，本集團擁有不可撤銷經營租賃項下的未來最低租賃承擔，其到期如下：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
5,402	5,282
4,776	918
<b>10,178</b>	<b>6,200</b>

### 24. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the both years:

Management and consultation service fee paid to K.M. Luk & Engineers Limited (Note a)	支付予陸鑑明工程有限公司的管理及諮詢服務費(附註a)
Purchase of materials from Logistic Industrial (Note b)	向洛士工業採購物料(附註b)
Rental fee paid to KML Ltd. (Note c)	支付予下列者的租金費用 圖遠有限公司(附註c)
K.M. Luk & Engineers Limited	陸鑑明工程有限公司

Notes:

(a) Amount represents management and consultation service fee paid to K.M.Luk & Engineers Limited, a company jointly controlled by Mr. KM Luk, Madam Leung, Mr. KL Luk and Mr. YC Luk, in respect of management and consultation service rendered by Mr. KM Luk and his spouse, Madam Leung, both of them are employees of K.M.Luk & Engineers Limited.

During the year ended 31 March 2018, no service was rendered by Madam Leung to the Group.

Starting from 1 April 2017, the service fee, in respect of management and consultation service rendered by Mr. KM Luk to the Group, was paid to Mr. KM Luk directly and was included as director's remuneration.

(b) Logistic Industrial Supply Company Limited ("Logistic Industrial") is a company which Mr. KM Luk and Madam Leung have significant influence over it.

(c) KML Ltd. is controlled by Mr. KM Luk. The rental fee paid is regarded as continuing connected transaction.

### 24. 關聯方交易

除綜合財務報表其他處所披露者外，本集團於兩個年度與其關聯方擁有下列交易：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
-	1,308
35	149
4,206	3,960
26	103

附註：

(a) 款項指就陸鑑明先生及其配偶梁女士(兩人均為陸鑑明工程有限公司的僱員)所提供的管理及諮詢服務支付予陸鑑明工程有限公司(一間由陸鑑明先生、梁女士、陸季農先生及陸彥彰先生共同控制的公司的)的管理及諮詢服務費。

於截至二零一八年三月三十一日止年度，梁女士概無向本集團提供服務。

自二零一七年四月一日開始，就陸鑑明先生向本集團提供的管理及諮詢服務的服務費已直接支付予陸鑑明先生及計入董事薪酬。

(b) 洛士工業器材有限公司(「洛士工業」)為陸鑑明先生及梁女士對其有重大影響力的公司。

(c) 圖遠有限公司由陸鑑明先生控制。已支付的租金視為持續關連交易。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 24. RELATED PARTY TRANSACTIONS (CONTINUED)

#### Compensation of key management personnel

Key management personnel of the Company are the directors of the Company. Their remunerations during the years ended 31 March 2018 and 2017 were set out in note 8.

### 25. RETIREMENT BENEFITS SCHEMES

The Group participates in both a defined contribution scheme which is registered under the ORSO Scheme and the MPF Scheme established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme.

For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by the employee.

The ORSO Scheme is funded by monthly contributions from both employees and the Group at rates ranging from 5% to 8% of the employee's basic salary, depending on the length of service with the Group.

The total expense recognised in profit or loss of HK\$2,890,000 (2017: HK\$2,974,000) during the year ended 31 March 2018 represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

The contributions paid and payable to the schemes by the Group are disclosed in note 9.

### 24. 關聯方交易(續)

#### 關鍵管理人員薪酬

本公司關鍵管理人員為本公司董事。彼等於截至二零一八年及二零一七年三月三十一日止年度的薪酬於附註8載列。

### 25. 退休福利計劃

本集團參與定額供款計劃，此乃根據職業退休計劃條例計劃及強制性公積金計劃(於二零零零年十二月根據強制性公積金條例成立)而註冊。該等計劃資產由受託人以基金形式管理，與本集團之資產分開持有。於強積金計劃成立前屬於職業退休計劃成員之僱員有權選擇繼續參與職業退休計劃，或轉移參加強積金計劃，惟於二零零零年十二月一日或之後加入本集團之所有新僱員則須參加強積金計劃。

就強積金計劃之成員而言，本集團須向該計劃之有關工資成本作5%供款，該筆供款與僱員之供款額一致。

職業退休計劃條例計劃之資金來自僱員及本集團按介乎僱員底薪5%至8%作每月供款，取決於服務予本集團的時間長短。

於截至二零一八年三月三十一日止年度，於損益中確認的總開支2,890,000港元(二零一七年：2,974,000港元)指本集團根據計劃原則指定的比率繳付予該等計劃的供款。

本集團已繳付及應繳付的供款於附註9披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 26. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

The Company has direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company in Hong Kong), the particulars of which are as follows:

### 26. 本公司附屬公司的詳情

本公司於其附屬公司擁有直接及間接權益，其所有附屬公司為私人有限責任公司(或倘於香港境外註冊成立，與香港私人公司擁有大致類似的特徵)，詳情如下：

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Place of operation 經營地點	Attributable equity interest of the Group 於下列日期應佔本集團股權 as at 31 March 三月三十一日		Principal activities 主要業務
			2018 二零一八年	2017 二零一七年	
Directly held: 直接持有：					
KML Group (BVI) Limited	British Virgin Islands ("BVI") 16 May 2017 英屬處女群島 (「英屬處女群島」) 二零一七年五月十六日	Hong Kong 香港	100%	不適用	Investment holding 投資控股
Indirectly held: 間接持有：					
KML Engineering 高明科技工程	Hong Kong 12 August 1977 香港 一九七七年八月十二日	Hong Kong 香港	100%	100%	Provision of professional E&M system engineering services for railway and road transport infrastructure projects and sales of parts and components 為鐵路及公路交通基建項目提供專業機電系統工程服務及銷售零件及部件
KML Technology 高萌科技	Hong Kong 21 October 1988 香港 一九八八年 十月二十一日	Hong Kong 香港	100%	100%	Provision of professional E&M system engineering services for railway and road transport infrastructure projects 為鐵路及公路交通基建項目提供專業機電系統工程服務
KML Transtech Limited ("KML Transtech") 高明資訊科技有限公司 (「高明資訊科技」)	Hong Kong 23 June 2000 香港 二零零零年 六月二十三日	Hong Kong 香港	– (Note) (附註)	100%	Inactive 暫無營業

Note: On 9 June 2017, all the issued shares of KML Transtech were transferred to Ms. Chan Patricia, the spouse of Mr. KL Luk for at a total consideration of HK\$1,932,722 with reference to the net asset value of KML Transtech. Details are set out in note 27.

附註：於二零一七年六月九日，高明資訊科技的所有已發行股份經參考高明資訊科技的資產淨值，轉讓予陸季農先生的配偶陳珮筠女士，總代價為1,932,722港元。詳情載於附註27。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 27. DISPOSAL OF A SUBSIDIARY

On 9 June 2017, the Company disposed of its entire interest in KML Transtech to Ms. Chan Patricia, for a total consideration of HK\$1,932,722 with reference to the Company's interest in the net asset value of KML Transtech. The net assets of KML Transtech at the date of disposal were as follows:

#### Analysis of asset and liability over which control was lost:

Bank balance and cash	銀行結餘及現金
Accrual	應計費用
Net asset disposed of	出售資產淨值
Gain on disposal of a subsidiary:	出售一間附屬公司之收益：
Consideration received	已收代價
Net asset disposed of	出售資產淨值
Gain on disposal	出售收益
Net cash outflow arising on disposal:	出售產生之現金流出淨額
Cash consideration received	已收現金代價
Less: bank balance and cash disposed of	減：出售銀行結餘及現金

### 28. MAJOR NON-CASH TRANSACTION

During the year ended 31 March 2017, the Group purchased a cruiser through the deposits of HK\$364,000 paid in year ended 31 March 2016.

### 29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt and equity of the Group, comprising issued share capital and accumulated profits.

Management of the Group reviews the capital structure regularly taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through issuance of new shares and the raise of borrowings.

### 27. 出售一間附屬公司

於二零一七年六月九日，經參考本公司於高明資訊科技資產淨值擁有的權益，本公司按總代價1,932,722港元向陳珮筠女士出售於高明資訊科技全部股權。高明資訊科技於出售日期的資產淨值如下：

#### 對已失去控制權的資產及負債的分析：

	HK\$'000 千港元
Bank balance and cash	1,936
Accrual	(3)
Net asset disposed of	1,933
Gain on disposal of a subsidiary:	
Consideration received	1,933
Net asset disposed of	(1,933)
Gain on disposal	-
Net cash outflow arising on disposal:	
Cash consideration received	1,933
Less: bank balance and cash disposed of	(1,936)
	(3)

### 28. 主要非現金交易

於截至二零一七年三月三十一日止年度，本集團透過於截至二零一六年三月三十一日止年度支付的按金364,000港元購買一艘小型快艇。

### 29. 資本風險管理

本集團管理其資本以確保本集團內實體將能夠持續經營，同時透過優化債務及權益結餘為擁有人帶來最大回報。

本集團的資本架構由本集團債務及權益組成，包括已發行股本及累計溢利。

本集團管理層經計及資本成本及與資本有關的風險，定期檢討資本架構。本集團將通過發行新股份及籌集借貸，平衡其整體資本架構。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 30. FINANCIAL INSTRUMENTS

### 30. 金融工具

#### Categories of financial instruments

#### 金融工具類別

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
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)	<b>129,367</b>	103,451
<b>Financial liabilities</b>	<b>金融負債</b>		
Amortised cost	攤銷成本	<b>18,550</b>	16,132

#### Financial risk management objectives and policies

The Group's financial instruments include trade receivables, retention receivables, other receivables and deposits, pledged bank deposit, time deposits with original maturity over three months, bank balances and cash, trade payables, retention payables, other payables and accrued charges. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### 財務風險管理目標及政策

本集團的金融工具包括貿易應收款項、應收保留金、其他應收款項及按金、有抵押銀行存款、原到期日超過三個月的定期存款、銀行結餘及現金、貿易應付款項、應付保留金、其他應付款項及應計費用。該等金融工具的詳情於各附註披露。與該等金融工具有關的風險及如何減緩該等風險的政策載於下文。管理層管理及監控該等風險以確保及時和有效地執行適當措施。

#### Currency risk

Certain bank balances and cash, time deposits with original maturity over three months, trade receivables and trade payables of the Group are denominated in foreign currencies of respective group entities, i.e. RMB, EUR, USD and NTD. The carrying amounts of the Group's bank balances and cash, time deposits with original maturity over three months, trade receivables and trade payables denominated in foreign currencies at the end of each reporting period are as follows:

#### 貨幣風險

本集團的若干銀行結餘及現金、原到期日超過三個月的定期存款、貿易應收款項及貿易應付款項以各集團實體外幣(即人民幣、歐元、美元及新台幣)列值。於各報告期末外幣列值的本集團銀行結餘及現金、原到期日超過三個月的定期存款、貿易應收款項及以及貿易應付款項的賬面值如下：

		Financial assets 金融資產 As at 31 March 於三月三十一日		Financial liabilities 金融負債 As at 31 March 於三月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
RMB	人民幣	2,810	2,461	-	-
EUR	歐元	582	146	-	-
USD	美元	886	1,928	370	480
NTD	新台幣	376	478	98	38

The Group currently does not have a foreign currency hedging policy. However, the directors of the Company monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

本集團現時並無外幣對沖政策。然而，本公司董事監控外匯風險並將於需要時考慮對沖重大外幣風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### Financial risk management objectives and policies (Continued)

##### Currency risk (Continued)

Since the exchange rate of HK\$ is pegged with USD, the Group does not expect any significant movements in the USD/HK\$ exchange rates. Thus, there is no sensitivity analysis on USD denominated financial assets.

Sensitivity analysis of strengthening 10% in functional currency of the Group (i.e. HK\$) against foreign currencies and keeping all other variables constant resulted an decrease in post-tax profit of the years ended 31 March 2018 and 2017. For a 10% weakening of HK\$ against foreign currencies there would be an equal and opposite impact on the results.

RMB	人民幣
EUR	歐元
NTD	新台幣

##### Interest rate risk

The Group is exposed to cash flow interest rate risk in bank balances and cash, and pledged bank deposit (note 17) as at 31 March 2018 and 2017.

As at 31 March 2018, the Group is also exposed to fair value interest rate risk in relation to fixed rate time deposits with original maturity over three months.

The Group has not used any interest rate swaps to mitigate its exposure associated with interest rate risk. However, the management of the Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

##### Sensitivity analysis

In the opinion of management of the Group, the expected change in interest rate will not have significant impact on the interest income or expenses on payments for bank balances and pledged bank deposit, hence sensitivity analysis is not presented.

##### Credit risk

The Group's credit risk is primarily attributable to trade receivables, retention held by customers for contract works, other receivables and deposits, pledged bank deposit, time deposits with original maturity over three months and bank balances.

### 30. 金融工具(續)

#### 財務風險管理目標及政策(續)

##### 貨幣風險(續)

由於港元與美元相掛鈎，本集團預計美元／港元匯率並無任何重大變動。因此，並無以美元列值的金融資產敏感度分析。

本集團功能貨幣(即港元)兌外幣升值10%及所有其他變數保持不變的敏感度分析，則導致截至二零一八年及二零一七年三月三十一日止年度除稅後溢利減少。就港元兌外幣貶值10%而言，對業績將產生等量及相反的影響。

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
235	205
49	12
23	37

##### 利率風險

於二零一八年及二零一七年三月三十一日，本集團銀行結餘及現金、及有抵押銀行存款(附註17)面臨利率風險。

於二零一八年三月三十一日，本集團亦面臨有關利率固定的原到期日超過三個月的定期存款的公允值利率風險。

本集團並無使用任何利率掉期以減緩其有關利率的風險。然而，本集團管理層監控利率風險及於需要時將考慮對沖重大利率風險。

##### 敏感度分析

本集團管理層認為，利率預計變動將不會對利息收入或支付銀行結餘及有抵押銀行存款的開支產生重大影響，因此並無呈列敏感度分析。

##### 信貸風險

本集團信貸風險主要產生自貿易應收款項、客戶就合約工程持有的保留金、其他應收款項、按金、有抵押銀行存款、原到期日超過三個月的定期存款及銀行結餘。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### Financial risk management objectives and policies (Continued)

##### **Credit risk (Continued)**

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge the obligations by counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position at the end of the reporting period.

Management of the group adopted a policy on providing credit facilities to new customers. The level of credit granted must not exceed a predetermined level set by the management. Credit evaluation is performed on a regular basis. Management of the Group has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivable at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group has concentration of credit risks with exposure limited to certain customers. Top five customers amounting to HK\$42,580,000 (2017: HK\$29,347,000) comprised approximately 90% (2017: 93%) of the Group's trade receivables as at 31 March 2018. The management of the Group closely monitors the subsequent settlement of the customers. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The Group has a concentration of credit risk on pledged bank deposit, time deposits with original maturity over three months and bank balances deposited with a few major banks. The credit risk on these balances is limited because the counterparties are banks with good reputation.

### 30. 金融工具(續)

#### 財務風險管理目標及政策(續)

##### **信貸風險(續)**

本集團因競爭對手未能履行責任而令本集團蒙受財務損失之最高信貸風險乃因於報告期末綜合財務狀況表所載列已確認金融資產之賬面值而產生。

本集團管理層就向新客戶提供信貸融資以採納一項政策。授出之信貸額度不得超過管理層設定之預定額度。信貸評估定期進行。本集團管理層已委派一支負責監控程序的團隊以確保採取後續行動以收回逾期債務。此外，本集團檢討各個別應收款項於報告期末的可收回金額以確保就不可收回款項作出適當減值虧損。

本集團所面臨之集中信貸風險限於部分客戶。於二零一八年三月三十一日，五大客戶達42,580,000港元(二零一七年：29,347,000港元)，佔本集團貿易應收款項約90%(二零一七年：93%)。本集團管理層密切監控客戶款項的隨後結清。就此，本集團管理層認為本集團信貸風險大幅降低。

本集團擁有有關有抵押銀行存款、原到期日超過三個月的定期存款及銀行結餘(存入數家銀行)的信貸集中風險。有關該等結餘的信貸風險有限，原因為對手方為具有良好聲譽的銀行。

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For the year ended 31 March 2018 截至二零一八年三月三十一日止年度

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### Financial risk management objectives and policies (Continued)

##### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of unexpected fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

		Weighted average effective interest rate 加權平均實際利率 %	On demand 按要求 HK\$'000 千港元	Within 1 year 於1年內 HK\$'000 千港元	Total undiscounted cash flows 未折現現金 流量總額 HK\$'000 千港元	Total carrying amount 總賬面值 HK\$'000 千港元
As at 31 March 2018	於二零一八年三月三十一日					
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>					
Trade payables	貿易應付款項	N/A 不適用	3,464	6,563	10,027	10,027
Other payables	其他應付款項	N/A 不適用	8,523	-	8,523	8,523
			<b>11,987</b>	<b>6,563</b>	<b>18,550</b>	<b>18,550</b>
		Weighted average effective interest rate 加權平均實際利率 %	On demand 按要求 HK\$'000 千港元	Within 1 year 於1年內 HK\$'000 千港元	Total undiscounted cash flows 未折現現金 流量總額 HK\$'000 千港元	Total carrying amount 總賬面值 HK\$'000 千港元
As at 31 March 2017	於二零一七年三月三十一日					
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>					
Trade payables	貿易應付款項	N/A 不適用	2,104	6,689	8,793	8,793
Other payables	其他應付款項	N/A 不適用	7,339	-	7,339	7,339
			<b>9,443</b>	<b>6,689</b>	<b>16,132</b>	<b>16,132</b>

#### Fair value of financial instruments

Management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

### 30. 金融工具(續)

#### 財務風險管理目標及政策(續)

##### 流動資金風險

於管理流動資金風險時，本集團監控及維持管理層視為適當的現金及現金等價物水平，以撥付本集團營運資金及減緩現金流量無法預計波動的影響。

下表詳述本集團非衍生金融負債的餘下合約到期情況。該表基於金融負債於本集團須償付的最早日期的未折現現金流量繪製。其他非衍生金融負債的到期日基於協定還款日期釐定。

#### 金融工具公允值

本集團管理層認為，按攤銷成本列入綜合財務報表內的金融資產及金融負債賬面值與其公允值相若。

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## 綜合財務報表附註

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### 31. PERFORMANCE GUARANTEE

As at 31 March 2018, performance guarantee of approximately HK\$2,594,000 (2017: HK\$2,594,000) was given by a bank in favour of the Group's customer as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customer. If the Group failed to provide satisfactory performance to their customers to whom performance guarantee had been given, such customers may demand the banks to pay to them the sum or sum stipulated in such demand. The Group would become liable to compensate such banks accordingly. The performance guarantee would be released upon completion of the contract works. The performance guarantee was granted under a banking facility.

### 31. 履約擔保

於二零一八年三月三十一日，履約擔保約2,594,000港元（二零一七年：2,594,000港元）由銀行以本集團客戶為受益人作出，作為適當履約及遵守本集團於本集團與該客戶訂立的合約項下義務的擔保。倘本集團未有向獲給予履約擔保的其客戶提供令人滿意的履約，該等客戶可能要求銀行向其支付該款項或於該要求中訂明的款項。本集團須據此負責向該等銀行補償。履約擔保將於合約工程竣工後獲解除。履約擔保根據銀行融資授出。

### 32. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 32. 有關本公司財務狀況表的資料

		2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產	
Investment in subsidiaries	投資於附屬公司	107,549
Amount due from a subsidiary	應收一間附屬公司款項	33,112
		140,661
Current assets	流動資產	
Prepayments	預付款項	205
Bank balances and cash	銀行結餘及現金	12
		217
Current liabilities	流動負債	
Accrued charges	應計費用	111
Net current assets	流動資產淨值	106
Net assets	資產淨值	140,767
Capital reserves	資本儲備	
Share capital	股本	4,000
Reserves	儲備	136,767
Equity attributable to owners of the Company	本公司擁有人應佔權益	140,767

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### 33. RESERVE OF THE COMPANYY

### 33. 本公司儲備

		Share premium 股份溢價 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Accumulated loss 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 5 May 2017 (date of incorporation)	於二零一七年五月五日 (註冊成立日期)	-	-	-	-
Loss for the period	期內虧損	-	-	(18,334)	(18,334)
Reserve arising from Reorganisation	重組產生的儲備	-	107,549	-	107,549
Ordinary shares issued	已發行普通股	47,552	-	-	47,552
At 31 March 2018	於二零一八年三月三十一日	47,552	107,549	(18,334)	136,767





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**KML Technology Group Limited**

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