昊天國際建設投資集團有限公司
Hao Tian International Construction Investment Group Limited

(Formerly known as Clear Lift Holdings Limited 焯陞企業控股有限公司)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1341)

Annual Report
2016/17

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Zhiliang Ou, *J.P., (Australia)*
(appointed on 28 February 2017)
Mr. Fok Chi Tak (appointed on 28 February 2017)
Mr. Tang Yiu Chi James
Mr. Kwok Ho (resigned on 17 March 2017)

Independent Non-executive Directors

Mr. Lee Chi Hwa Joshua
(appointed on 28 February 2017)
Mr. Mak Yiu Tong (appointed on 28 February 2017)
Mr. Li Chi Keung Eliot
(appointed on 17 March 2017)
Mr. Kwong Ping Man (resigned on 17 March 2017)
Mr. Chu Wai Wa Fangus
(resigned on 17 March 2017)
Mr. Yeung Ho Ming (appointed on 31 August 2016
and resigned on 17 March 2017)
Ms. Pang Yuen Shan Christina
(resigned on 31 August 2016)

AUDIT COMMITTEE

Mr. Lee Chi Hwa Joshua *(Chairman)*
(appointed on 28 February 2017)
Mr. Mak Yiu Tong (appointed on 28 February 2017)
Mr. Li Chi Keung Eliot
(appointed on 17 March 2017)
Mr. Kwong Ping Man (resigned on 17 March 2017)
Mr. Chu Wai Wa Fangus
(resigned on 17 March 2017)
Mr. Yeung Ho Ming (appointed on 31 August 2016
and resigned on 17 March 2017)
Ms. Pang Yuen Shan Christina
(resigned on 31 August 2016)

REMUNERATION COMMITTEE

Mr. Mak Yiu Tong *(Chairman)*
(appointed on 28 February 2017)
Dr. Zhiliang Ou, *J.P., (Australia)*
(appointed on 17 March 2017)
Mr. Lee Chi Hwa Joshua
(appointed on 28 February 2017)
Mr. Li Chi Keung Eliot
(appointed on 17 March 2017)
Mr. Chu Wai Wa Fangus
(resigned on 17 March 2017)
Mr. Tang Yiu Chi James
(resigned on 17 March 2017)
Mr. Kwong Ping Man (resigned on 17 March 2017)
Mr. Yeung Ho Ming (appointed on 31 August 2016
and resigned on 17 March 2017)
Ms. Pang Yuen Shan Christina
(resigned on 31 August 2016)

NOMINATION COMMITTEE

Mr. Fok Chi Tak *(Chairman)*
(appointed on 17 March 2017)
Mr. Lee Chi Hwa Joshua
(appointed on 28 February 2017)
Mr. Mak Yiu Tong (appointed on 28 February 2017)
Mr. Li Chi Keung Eliot
(appointed on 17 March 2017)
Mr. Tang Yiu Chi James
(resigned on 17 March 2017)
Mr. Kwong Ping Man (resigned on 17 March 2017)
Mr. Chu Wai Wa Fangus
(resigned on 17 March 2017)
Mr. Yeung Ho Ming (appointed on 31 August 2016
and resigned on 17 March 2017)
Ms. Pang Yuen Shan Christina
(resigned on 31 August 2016)

Corporate Information

COMPANY SECRETARY

Mr. Sit Hon Wing (appointed on 28 February 2017)
Mr. Ng Ki Man (resigned on 28 February 2017)

AUDITOR

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

COMPLIANCE ADVISER

Frontpage Capital Limited
26/F
Siu On Centre
188 Lockhart Road, Wan Chai
Hong Kong

LEGAL ADVISERS

As to Hong Kong laws:
Li & Partners
22/F,
World-Wide House,
Central,
Hong Kong

AUTHORISED REPRESENTATIVES

Mr. Fok Chi Tak
Mr. Sit Hon Wing

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Nanyang Commercial Bank, Ltd.
Bank of China (Hong Kong) Limited

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

Rooms 4917-4932, 49/F.
Sun Hung Kai Centre
30 Harbour Road, Wan Chai
Hong Kong

STOCK CODE

1341

WEBSITE

www.chimkeegroup.com.hk

Director's Statement

The board (the "Board") of directors (the "Directors") is pleased to announce the annual results of Hao Tian International Construction Investment Group Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 March 2017 (the "Year").

Since 6 February 2017, the Company's immediate and ultimate holding company has been changed to Hao Tian Management (China) Limited ("Hao Tian China") and Asia Link Capital Investment Holdings Limited ("Asia Link") respectively. Subsequently, the name of the Company has been changed from Clear Lift Holdings Limited to Hao Tian International Construction Investment Group Limited with effect from 1 June 2017.

Despites the changes above, the Group continues to engage in three business segments, namely rental of construction machinery, trading of construction machinery and spare parts, and provision of machinery transportation services.

The economic environments worldwide are full of uncertainties and challenges. Various companies are facing fiercer competitions locally and internationally. Business operating costs are rising while consumers are cautious in their spending. This has further squeezed the margin for a lot of companies.

Being an international city, the economy in Hong Kong remained challenging. Apart from internal issues and external impacts, we are also facing elements that are more impacting to our industry. While there are various infrastructure projects being approved and started, new and subsequent funding approvals have been much slower than the pace in previous years. Such delays in funding approvals caused projects to fall behind the original schedules, and contractors tend to be more short-term oriented when making investment decisions on construction machinery.

Our revenue decreased by about 29.9%, from approximately HK$277.3 million for the year ended 31 March 2016 (the "Previous Year") to approximately HK$194.4 million for the Year. The decline was mainly due to a slowdown in trading business as the customers were more cautious in making purchase decisions on construction machinery.

The Group has returned to profit this Year. Profit attributable to the owners of the Company was approximately HK$0.3 million for the Year, against the loss attributable to the owners of the Company of approximately HK$11.2 million for the Previous Year. Gross profit margin increased from approximately 11.5% for the Previous Year to approximately 16.7% for the Year.

Director's Statement

While facing challenges in business operating environment, the Group continues to invest in human resources and rental fleet of construction machinery. We have a stable employee base throughout the Year. And we have been upgrading our rental fleet by bringing in more brand new and environmentally friendly equipments. By doing so, the Group is in a better position to provide high quality and reliable services to our customers, and at the same time to maintain a cleaner environment to our society as a whole.

The Board remains optimistic on the future development of our market. The construction industry is robust as a number of new major projects such as the third-runway system at Hong Kong International Airport and Tseung Kwan O – Lam Tin Tunnel have started this year. In the coming years, there are various projects in place or being planned, such as i) the new town developments in Tung Chung, New Territories East and New Territories West, ii) new railways and roads in various parts of Hong Kong, and iii) the East Lantau Island Metropolis plan. All of these developments will maintain or increase the demand of construction machinery.

In addition, the Group intends to explore prospective real estate developments, investment properties and expansion opportunities in respect of the rental of construction machinery business in the People's Republic of China, Singapore, Vietnam and the United Kingdom.

With on-going investments by the Group, the Board believes that we are in a more competitive position to seize the opportunities in coming years.

Last but not least, the Board would like to express its sincere gratitude to the management of the Group (the "Management") and all the staff for their hard work and dedication, as well as its shareholders, business partners and other professional parties for their support throughout the Year.

Fok Chi Tak
Executive Director

28 June 2017

Management Discussion and Analysis

MARKET REVIEW

The Hong Kong economy remained challenging during the Year. Combining different factors including the filibustering in the Legislative Council, approval of new infrastructure projects in the territory has been granted much slower than expected. Contractors became more prudent with new construction machinery acquisition, and thus the Group's trading business during the Year has been inevitably affected. Nevertheless, the Board believes that the demand for construction machinery will grow in the coming years after the launching of major projects during the Year, such as the Three-runway system, Tseung Kwan O – Lam Tin Tunnel etc. Thus, the Group focuses on upgrading the rental fleet by bringing in brand new and environmentally friendly equipments, which ensure the continuous provision of high quality, reliable and safe equipments to the construction market.

BUSINESS REVIEW

The Group is principally engaged in the construction machinery business, serving primarily the construction sector in Hong Kong. The Group's principal activities include (i) rental of construction machinery, such as crawler cranes, aerial platforms and foundation equipment; (ii) trading of new or used construction machinery and spare parts; and (iii) provision of machinery transportation services.

Rental of construction machinery

The Group offers crawler cranes of different sizes, other mobile cranes, aerial platforms and foundation equipment as the rental fleet. For crawler cranes, the mix in the rental fleet ranges from 2.9-tonne mini crawler cranes to 450-tonne massive crawler cranes. The Group sources these construction machinery mainly through the manufacturers of construction machinery located in developed countries in Western Europe and Northern Asia as well as traders of used construction machinery around the world.

The Group has maintained over 200 units of construction machinery in the rental fleet during the Year. Details of the construction machinery carried by the Group available for the rental operations are summarised as follows:

	As at 31 March	
	2017	2016
	Number in fleet	Number in fleet
Crawler cranes and other mobile cranes	**82**	82
Aerial platforms	**83**	74
Foundation equipment	**47**	52
	212	208

In order to maintain a modern fleet of construction machinery with a greater variety of models, the Group has replaced and will replace, from time to time, portions of its fleet of construction machinery. The Directors will continue to monitor the daily operations and review the expansion plan of the rental fleet and the capital requirements of the Group regularly. The Group might reschedule such expansion according to the operation and needs, the preference of the target customers and prevailing market conditions if necessary. The Group will also revise the timing and financing arrangements for the purchase of additional, and replacement of, existing construction machinery if, amongst others, the market condition has changed.

Trading of construction machinery and parts

The Group is also engaged in trading of new construction machinery and spare parts, as well as used construction machinery. To accommodate the needs of different customers, the Group offers a wide range of construction machinery including crawler cranes with lifting capacity of up to 450 tonnes, aerial platforms and foundation equipments. The Group has entered into several dealership arrangements with construction machinery manufacturers in Europe, Japan and Korea. To satisfy customers' needs, the Group also sells spare parts to customers for maintenance purposes or upon request.

Transportation services

The transportation services include local container delivery, construction site delivery and heavy machinery transport. According to customers' requests, the Group arranges and provides these services with various transportation vehicles and equipment including 44-tonne heavy load trucks, 8-tonne to 25-tonne crane lorries, 20-feet to 40-feet trailers, and under 38-tonne trucks.

FINANCIAL REVIEW

The comparative figures of certain items stated in the consolidated statement of profit or loss and other comprehensive income, and consolidated statement of financial position have been represented to conform to the current year's presentation.

Management Discussion and Analysis

REVENUE

The total revenue decreased by approximately HK$82.9 million, or 29.9%, from approximately HK$277.3 million for the Previous Year to approximately HK$194.4 million for the Year. Such decrease was mainly attributable to the decrease in revenue generated from the trading of construction machinery and parts.

Rental of construction machinery

The revenue from rental of construction machinery slightly increased by approximately HK$2.2 million, or 1.8%, from approximately HK$121.3 million for the Previous Year to approximately HK$123.5 million for the Year.

Trading of construction machinery and parts

The revenue from trading of construction machinery and parts decreased by approximately HK$84.0 million, or 54.7%, from approximately HK$153.7 million for the Previous Year to approximately HK$69.7 million for the Year. Such decrease was mainly attributable to the decrease in trading volume of construction machinery. Due to the delay in the commencement of several public projects and public-related projects, the demand for construction machinery in the industry reduced.

Transportation services

The revenue from transportation services decreased by approximately HK$1.1 million, or 47.5%, from approximately HK$2.3 million for the Previous Year to approximately HK$1.2 million for the Year. Such decrease was mainly attributable to the decrease in operation scale due to the retirement of certain transportation fleet.

GROSS PROFIT AND GROSS PROFIT MARGIN

The gross profit slightly increased by approximately HK$0.7 million, or 2.3%, from approximately HK$31.8 million for the Previous Year to approximately HK$32.5 million for the Year, whereas the gross profit margin increased from approximately 11.5% for the Previous Year to approximately 16.7% for the Year. The increase in gross profit margin was mainly due to the growth in gross profit margin contributed from the trading of construction machinery and parts.

Rental of construction machinery

The gross profit of construction machinery rental services decreased by approximately HK$4.8 million, or 39.8%, from approximately HK$12.0 million for the Previous Year to approximately HK$7.2 million for the Year. In addition, the gross profit margin of construction machinery rental services decreased from approximately 9.9% for the Previous Year to approximately 5.8% for the Year.

The decrease in gross profit margin of construction machinery rental services was mainly attributable to the increase in removal fees and truck costs during the Year.

Trading of construction machinery and parts

The gross profit of the trading of construction machinery and parts increased by approximately HK$5.7 million, or 29.1%, from approximately HK$19.7 million for the Previous Year to approximately HK$25.5 million for the Year. In addition, the gross profit margin of the trading of construction machinery and parts increased from approximately 12.8% for the Previous Year to approximately 36.5% for the Year.

The increase in gross profit margin for the trading of construction machinery and parts was mainly attributable to the increased proportion in trading of used machinery, which normally has a higher gross profit margin than the trading of new machinery.

Management Discussion and Analysis

OTHER INCOME AND GAINS

The other income and gains increased by approximately HK$6.2 million, or 1,581.3%, from approximately HK$0.4 million for the Previous Year to approximately HK$6.6 million for the Year. The increase in other income and gains were mainly attributable to the one-off refund on taxed cost from a litigation with a customer of approximately HK$2.5 million and the decrease in allowance for bad and doubtful debts from approximately HK$4.1 million for the Previous Year to approximately HK$0.3 million for the Year.

ADMINISTRATIVE EXPENSES

The administrative expenses increased by approximately HK$4.7 million, or 16.6%, from approximately HK$28.1 million for the Previous Year to approximately HK$32.8 million for the Year. The increase in administrative expenses was mainly attributable to the increase in staff costs of approximately HK$4.8 million for the Year.

FINANCE COSTS

The finance costs slightly decreased by approximately HK$0.1 million, or 2.4%, from approximately HK$5.5 million for the Previous Year to approximately HK$5.4 million for the Year.

NET PROFIT/(LOSS)

The Group's net profit for the Year was approximately HK$0.3 million (Previous Year: net loss of HK$11.2 million) and the net profit margin was approximately 0.2% (Previous Year: net loss margin of 4.1%).

Excluding the listing expenses, the Group's net loss for the Previous Year would have been approximately HK$0.7 million and the net loss margin for the Previous Year would have been approximately 0.3%.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group had a solid financial position and continued to maintain a strong and steady cash flow from operating activities. During the Year, the Group's primary sources of funding included cash generated from operating activities and the credit facilities provided by the Group's principal banks in Hong Kong.

As at 31 March 2017, the Group had bank balances and cash and pledged bank deposits of approximately HK$71.3 million (2016: approximately HK$91.7 million) and approximately HK$4.6 million (2016: approximately HK$4.6 million) respectively.

As at 31 March 2017, the Group had total assets of approximately HK$462.0 million (2016: HK$390.8 million), net current assets of approximately HK$6.5 million (2016: approximately HK$60.9 million) and net assets of approximately HK$244.1 million (2016: approximately HK$243.8 million).

As at 31 March 2017, the Group's current assets and current liabilities were approximately HK$157.1 million (2016: approximately HK$164.6 million) and approximately HK$150.6 million (2016: approximately HK$103.7 million) respectively. The Group's current ratio decreased to approximately 1.0 times as at 31 March 2017 (2016: 1.6 times).

The Management believes that the Group's current bank balances and cash, together with the credit facilities available and the expected cash flow from operations, will be sufficient to satisfy its current operational requirements.

GEARING RATIO AND INDEBTEDNESS

Gearing ratio is calculated by dividing total debts (including borrowings, obligations under finance leases and amount due to a director) with total equity; it was approximately 65.3% as at 31 March 2017 (2016: 40.2%). The increase was mainly due to the increase in borrowings.

As at 31 March 2017, the borrowings and obligations under finance leases amounted to approximately HK$159.1 million (2016: approximately HK$97.4 million) which will be repayable within eight years from the end of the reporting period.

CHARGES ON THE GROUP ASSETS

As at 31 March 2017, the borrowings and obligations under finance leases are secured by (1) leasehold land and building with net carrying amount of approximately HK$0.6 million (2016: HK$0.6 million); (2) bank deposits of approximately HK$4.6 million (2016: approximately HK$4.6 million) and (3) machinery and motor vehicles with net carrying amount of approximately HK$85.1 million (2016: approximately HK$98.1 million).

CAPITAL EXPENDITURE

The total capital expenditure incurred for the Year was approximately HK$128.0 million (2016: approximately HK$27.6 million), which was mainly used in the purchase of machinery for the rental business.

INTEREST RATE RISK

The Group's pledged bank deposits and finance lease receivables bear fixed interest rates. The Group's cash at bank balances bear floating interest rates. The Group also has borrowings and obligations under finance leases which bear interests at fixed and floating interest rates. Exposure to interest rate risk exists on those balances subject to floating interest rate when there are unexpected adverse interest rate movements. The Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no unduly exposures to significant interest rate movements and rates are approximately fixed when necessary.

CURRENCY RISK

The Group mainly operates in Hong Kong with most of the transactions denominated and settled in Hong Kong Dollars, Japanese Yen ("JPY") and Euro Dollar ("EURO"). The Group's exposure to foreign currency risk primarily arises from certain financial instruments including trade receivables, bank balances and cash, trade payables, borrowings and finance lease payables which are denominated in JPY, EURO, Singapore Dollars and United States Dollars. The Group has not adopted any hedging strategy in the long run but the Management continuously monitors the foreign exchange risk exposure and might enter into foreign exchange forward contracts on a case-by-case basis. The Group has not used any hedging contracts to engage in speculative activities.

CREDIT RISK AND LIQUIDITY RISK

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. 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.

CAPITAL COMMITMENTS

The capital commitments consist primarily the purchase of construction machinery for rental purpose. As at 31 March 2017, the capital commitments of property, plant and equipment contracted for but not provided amounted to approximately HK$22.3 million (2016: approximately HK$10.9 million).

CONTINGENT LIABILITIES

As at 31 March 2017, the Group provided corporate guarantees and performance guarantee amounting to approximately HK$2,262,000 (2016: HK$4,192,000) and HK$11,200,000 (2016: HK$11,200,000) to banks in respect of obligations under finance leases and the Group's obligations under contracts with certain third party customers. Under the guarantees, the Group would be liable to make payments to the banks if the bank is unable to recover the amounts under these finance leases from these customers or the Group failed to perform the relevant obligations to these customers. As at 31 March 2017 and 2016, no provision for the Group's obligations under the guarantee contracts has been made as the directors of the Company considered that it was not probable that the repayment of the finance lease obligations would be in default and it was not probable that a claim will be made against the Group.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2017, the Group had 130 staff (2016: 134). The total staff costs incurred by the Group for the Year were approximately HK$63.8 million (2016: approximately HK$56.9 million).

The Group generally recruits its employees from the open market or by referral and enters into service contracts with its employees. The Group offers attractive remuneration packages to the employees. In addition to salaries, the employees would be entitled to bonuses subject to Company and employees' performance. The Group provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for the eligible employees.

The operation staff consists of experienced machinery operators and mechanics. While such employees are highly demanded in the market, the Group manages to maintain a relatively stable workforce by continuous recruitment from the market or through referrals. New employees are required to attend induction courses to ensure that they are equipped with the necessary skills and knowledge to perform their duties. In order to promote overall efficiency, the Group also offers technical trainings to existing employees on the operation of more advanced construction machinery from time to time. Selected operation staff are required to attend external trainings which are conducted by the manufacturers of the construction machines to acquire up-to-date technical skills and knowledge on the products of the Group.

PROPOSED FINAL DIVIDEND

The Board does not recommend the payment of final dividend to shareholders of the Company ("Shareholders") for the Year.

USE OF NET PROCEEDS FROM LISTING

The Company's shares (the "Shares") have been listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange") since 10 December 2015. The receipt of proceeds, net of listing expenses (including underwriting fee), including both recognised in the consolidated statement of comprehensive income and deducted from the share premium ("Net Proceeds") from the Company's listing were approximately HK$59.8 million. As at 31 March 2017, the Net Proceeds had been utilised as follows:

Use of net proceeds	**Net Proceeds from the Share offer**	**Actual utilisation up to 31 March 2017**	**Unutilised amounts as at 31 March 2017**
	HK$ million	HK$ million	HK$ million
Acquisition of machinery	39.0	39.0	–
Recruitment of operations staff	11.3	6.4	4.9
System development	3.5	–	3.5
Working capital	6.0	4.5	1.5
	59.8	49.9	9.9

The unutilised amounts of the Net Proceeds will be applied in such manner consistent with that mentioned in the Prospectus. The unutilised Net Proceeds had been deposited into licensed bank in Hong Kong.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENTS

On 22 November 2016, Chim Kee Crane Company Limited, an indirect wholly owned subsidiary of the Company, acquired a piece of leasehold land situated in Tai Tong, Yuen Long for a total consideration of approximately HK66.2 million, of which approximately HK$51.7 million was the purchase price and approximately HK$14.5 million was the directly attributable costs, for the storage of construction machinery. Further information regarding the aforesaid acquisition was published in the announcement of the Company dated 22 November 2016.

Except for the above mentioned, no material acquisition and disposal of subsidiaries were conducted by the Group during the Year and, as of 31 March 2017, the Group did not hold any significant investments.

ACQUISITION OF SHARES BY HAO TIAN DEVELOPMENT GROUP LIMITED AND MANDATORY UNCONDITIONAL CASH OFFER

On 16 January 2017, Tang J F T Company Limited, the then immediate and ultimate holding company of the Company, Mr. Tang Yiu Chi James and Hao Tian China entered into a sale and purchase agreement in relation to the conditional sale and purchase of 750,000,000 shares, representing 75% of the issued share capital of the Company for an aggregate consideration of HK$592,500,000, equivalent to HK$0.79 per share, which was fully settled upon completion of the acquisition on 6 February 2017.

Following the completion of the said acquisition, Hao Tian China and parties acting in concert with it became interested in, and controlled the voting rights in respect of, 75% of the then existing issued share capital of the Company. In accordance with Rule 26.1 of The Code on Takeovers and Mergers and Share Buy-Backs ("Takeovers Code") published by the Securities and Futures Commission, Hao Tian China made a mandatory unconditional cash offer ("Share Offer") to acquire all the issued Shares (other than those Shares already owned or agreed to be acquired by Hao Tian China and/or parties acting in concert with it) in accordance with the terms set out in the composite offer document and the response document ("Composite Document") jointly despatched by Hao Tian Development Group Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (stock code: 474) ("Hao Tian"), Hao Tian China and the Company on 20 February 2017 in accordance with the Takeovers Code.

As of the close of the Share Offer on 13 March 2017, Hao Tian China received valid acceptances in respect of the Share Offer for a total of 57,947,000 Shares, representing approximately 5.79% of the issued share capital of the Company as at the said date.

Further information regarding the Share Offer was published in the announcements of the Company dated 16 January 2017, 6 February 2017, 20 February 2017 and 13 March 2017, and the Composite Document.

Management Discussion and Analysis

SIGNIFICANT LITIGATION

In 2012, a customer commenced litigation against Chim Kee Machinery Co., Ltd. (the "Subsidary"), one of the subsidiaries of the Group for alleged breach of a rental contract (the "Legal Proceedings"). The customer claimed for an overall damages of more than HK$100 million while the disputed sum claimed by the Subsidiary to the customer was approximately HK$17.5 million together with other unascertained damages. On 24 March 2016, the Court of First Instance handed down a judgment and ruled in favour of the Subsidiary and ordered the customer to pay the Subsidiary for unpaid rental plus interest and costs. On 26 April 2016, the customer lodged an appeal to the Court of Appeal against the judgment of the Court of First Instance. The appeal was heard before the Court of Appeal on 14 and 15 June 2017 and the judgment will be handed down in due course.

After considering the evidence and the background facts in relation to the Legal Proceedings and the advice from the legal adviser in relation to the Legal Proceedings, the Directors are of the view that the customer's allegations and assertions are not cogent and convincing and therefore, the Group is likely to succeed in the appeal.

For details of the Legal Proceedings, please refer to the prospectus issued by the Company dated 30 November 2015 ("Prospectus").

EVENTS AFTER THE REPORTING PERIOD

Placing

On 10 May 2017, the Company entered into a placing agreement (the "Placing Agreement") with Hao Tian International Securities Limited ("Hao Tian Securities") and Kingston Securities Limited ("Kingston Securities") (collectively the "Placing Agents"), pursuant to which the Placing Agents agreed, as agents of the Company, to procure on a best effort basis not less than six placees who and whose ultimate beneficial owners shall be independent third parties to subscribe for up to 200,000,000 Shares ("Placing Shares") at the placing price of HK$0.62 per Placing Share ("Placing"). The Placing Shares would be allotted and issued pursuant to the general mandate granted pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 30 August 2016 to allot, issue and deal with new Shares and was not subject to further approval by Shareholders. Completion of the Placing took place in accordance with the terms of the Placing Agreement on 26 May 2017 and HK$545,600 was paid by the Company to Hao Tian Securities, a connected person of the Company, on account of placing commission of the Placing. A total of 156,000,000 Placing Shares were successfully placed by Kingston Securities and 44,000,000 Placing Shares were successfully placed by Hao Tian Securities to not less than 6 placees at the placing price of HK$0.62 per Placing Share pursuant to the terms and conditions of the Placing Agreement. An aggregate of 200,000,000 new Shares were issued and allotted, representing 20% of the issued Shares of the Company immediately prior to completion of the Placing (namely 1,000,000,000 Shares) and approximately 16.67% of the issued shares of the Company as enlarged by the Placing (namely 1,200,000,000 Shares). Further information regarding the Placing was published in the announcements of the Company dated 10 May 2017 and 26 May 2017 respectively ("Placing Announcements").

PROSPECTS

Despite the challenges Hong Kong faced during the Year, the Group remained confident about the opportunities for growth in the long run given the rapid infrastructure development in Hong Kong. According to the Construction Expenditure Forecast prepared by the Construction Industry Council, the total construction expenditure in public and private section in Hong Kong is estimated to increase from HK$215.4 billion for the year ended 31 March 2015 to approximately HK$240 billion for the year ended 31 March 2020. In April 2016, the construction of the Three-runway system in Chek Lap Kok Airport was approved, the total estimated construction cost being approximately HK$141.5 billion.

Management Discussion and Analysis

The Group believes that it possesses the business strengths and competitive advantages that enable the Group to grow and enhance its profitability. Such strengths and competitive advantages include (1) well established reputation and long history of operation in the construction machinery rental service industry; (2) experienced and dedicated management team; (3) possession of over 200 construction machines and equipments for rental; and (4) long term relationships with major customers.

As disclosed in the Placing Announcements, the Company intends to deploy the net proceeds from the Placing (after deduction of all relevant expenses) in exploring prospective real estate developments and investment properties and expansion opportunities in respect of the rental of construction machinery business in the People's Republic of China, Singapore, Vietnam and the United Kingdom.

In view of the above, there are positive prospects for the Group and it is expected that the business and revenue will continue to grow steadily in the foreseeable future.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Fok Chi Tak（霍志德）, aged 41, was appointed as an executive director on 28 February 2017. Mr. Fok holds a master degree in Business Administration from the University of Hong Kong. Mr. Fok is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Fok is also a fellow member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries. Mr. Fok currently serves as an executive director of Hao Tian, and Far East Holdings International Limited (Stock code: 36), whose shares are listed on the main board of the Stock Exchange.

Mr. Tang Yiu Chi James（鄧耀智）, aged 49, was appointed as an executive director on 24 September 2014. Mr. Tang is responsible for the overall strategic management and development of the Group's business operations, marketing and business development and finance and administration. Mr. Tang was appointed as the director of Chim Kee Company Limited, a wholly owned subsidiary of the Company, in June 1989 and he took over the leadership of the Group in May 1994. Mr. Tang has over 25 years of experience in the rental and trading of construction machines. Mr. Tang obtained a Bachelor of Science degree in aerospace engineering from the Syracuse University and has been serving the Group since his graduation.

Dr. Zhiliang Ou, *J.P., (Australia)* **（歐志亮）**, aged 48, was appointed as an executive director on 28 February 2017. Dr. Ou holds a Doctor of Philosophy degree in Civil & Resource Engineering from The University of Western Australia, Australia. Dr. Ou also holds two Bachelor of Engineering degrees in Engineering Management & Structural Engineering respectively. Dr. Ou has over 25 years of professional engineering and management experience in civil and industrial engineering areas both in Australia and China, including residential and commercial high-rise buildings as well as projects in oil & gas, mining and infrastructure industries. Dr. Ou had been a senior staff member in the world's leading energy & resource firms including Kellogg Brown & Root (formerly known as KBR Halliburton), WorleyParsons Pty Ltd., as well as Sedgman Ltd., which is specialised in coal processing and handling plants. Dr. Ou participated in a number of key energy and resource projects around the world such as acting as the Lead Civil and Structural Engineer for BHP Billiton RGP6 Jimblebar project; Rio Tinto iron ore Dove Siding expansion project; Chevron Wheatstone Domgas LNG Pipeline project; Yemen LNG Project (in the Republic of Yemen) and Western Australia Dampier to Bunbury Natural Gas Pipeline (Stage 5B) project, etc. Dr. Ou was also an officer at Western Australia government agency from 2003 to 2006. In addition, Dr. Ou has extensive experience and network in China. He was the general manager and the chief engineer of Fujian Liming Construction Company（福建省黎明建築工程公司）and deputy general manager of Fuzhou Henli Real Estate Development Pty Ltd（福州亨黎房地產開發有限公司）from 1993 to 1997. He was a guest professor for Inner Mongolia University（內蒙古大學）and Inner Mongolia University of Science & Technology（內蒙古科技大學）in China. Currently, Dr. Ou is an independent non-executive director of Rey Resources Limited (a company listed on ASX) and an executive director of Hao Tian, which is a company listed on the main board of the Stock Exchange.

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lee Chi Hwa Joshua (李智華), aged 45, was appointed as an independent non-executive director on 28 February 2017. Mr. Lee is a fellow member of the Association of Chartered Certified Accountants and a member of Hong Kong Institute of Certified Public Accountants. Mr. Lee has extensive experience in the fields of auditing, accounting and finance. Mr. Lee currently serves as an independent non-executive director of China Fortune Investments (Holding) Limited (Stock code: 8116), Code Agriculture (Holdings) Limited (Stock code: 8153) and Focus Media Network Limited (Stock code: 8112) respectively, whose shares are listed on the Growth Enterprise Market of the Stock Exchange. Mr. Lee currently also serves as an independent non-executive director of Hao Tian, Jin Bao Bao Holdings Limited (Stock code: 1239), Up Energy Development Group Limited (Stock code: 307) and Fujian Nuoqi Co., Ltd. (Stock code: 1353), and an executive director of China Healthcare Enterprise Group Limited (Stock code: 1143), whose shares are listed on the main board of the Stock Exchange. Mr. Lee was also an independent non-executive director of China Minsheng Drawin Technology Group Limited (Stock code: 726) from December 2013 to February 2015.

Mr. Mak Yiu Tong (麥耀棠), aged 58, was appointed as an independent non-executive director on 28 February 2017. Mr. Mak graduated from the China University of Political Science and Law with a Bachelor of Law degree in 1998. Mr. Mak is a legal executive of C. K. Mok & Co., a firm of solicitors in Hong Kong. Mr. Mak has been working in the legal industry for over 30 years. Mr. Mak currently serves as an independent non-executive director of Talent Property Group Limited (Stock code: 760), Up Energy Development Group Limited (Stock code: 307) and Fujian Nuoqi Co., Ltd. (Stock code: 1353), whose shares are listed on the main board of the Stock Exchange.

Mr. Li Chi Keung Eliot (李智強), aged 40, was appointed as an independent non-executive director on 17 March 2017. Mr. Li is the executive director of First Shanghai Securities Limited ("First Shanghai"). Prior to joining First Shanghai, he was the managing director of South China Financial Holdings Limited (stock code: 619), whose shares are listed on the Stock Exchange. Mr. Li is a chartered wealth manager of the Chartered Wealth Manager Institute and the director of the Hong Kong Association of Online Brokers. Mr. Li has held various senior positions including director of corporate development and vice president of corporate planning and development in financial institutes over his 15 years of experience in the financial industry. Mr. Li has earned a Bachelor of Arts Degree at the Hong Kong Polytechnic University and has earned the Postgraduate Certificate in Business Administration from University of Leicester in England.

Biographical Details of Directors and Senior Management

SENIOR MANAGEMENT

Mr. Kwok Ho（郭皓）, aged 48, was appointed as the Executive Director and Chief Executive Officer in December 2014. After resignation of the Executive Director and Chief Executive Officer of the Group in March 2017, Mr. Kwok serves the Group as a project director. Mr. Kwok is primarily responsible for overseeing the general management and operation of the business. Mr. Kwok has over 20 years of experience in marketing. He holds a Bachelor of Business Administration degree from the Chinese University of Hong Kong and a Master of Business Administration degree and a Master of Business Informatics degree from Erasmus Graduate School of Business.

Mr. Kwok Shu Yan（郭樹仁）, aged 48, was appointed as the marketing manager of the Group in April 2004 and promoted to marketing Director in April 2016. He is primarily responsible for leading the marketing team to handle marketing activities and promote brand awareness. He joined the Group in 2002.

Mr. Lam Shu Kee（林樹基）, aged 63, was appointed as the marketing manager of the Group in December 2005 and promoted to marketing Director in July 2016. He is primarily responsible for leading the marketing team to handle marketing activities and promote brand awareness. He joined the Group in 2005.

Ms. Yuen Lai Ming（袁麗明）, aged 44, was appointed as the administrative manager of the Group in October 2014. She is primarily responsible for managing the office administration. She joined the Group in 1999.

Mr. Law Ka Ho（羅嘉豪）, aged 34, was appointed as the financial controller of the Group in December 2014. He is primarily responsible for overseeing and enhancing the accounting function of the Group's accounts and finance department. Mr. Law has obtained a Bachelor of Business Administration degree from the Chinese University of Hong Kong in December 2004, majoring in professional accountancy. Mr. Law was admitted as a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Before joining the Group, Mr. Law has worked in BDO Limited as audit manager.

COMPANY SECRETARY

Mr. Sit Hon Wing（薛漢榮）, aged 40, was appointed as the company secretary on 28 February 2017. Mr. Sit has been the financial controller of Hao Tian since September 2015, being responsible for overseeing the Hao Tian group's financial matters. Before joining Hao Tian, Mr. Sit had worked in the audit and assurance department of PricewaterhouseCoopers in Hong Kong. Mr. Sit has also served as the chief financial officer, financial controller and company secretary of various listed companies in Hong Kong, including working as the chief financial officer and company secretary of CT Environmental Group Limited (Stock code: 1363) from December 2010 to September 2015. From June 2006 to January 2008, Mr. Sit was the financial controller and company secretary of Sau San Tong Holdings Limited (Stock code: 8200). From December 2002 to November 2005, Mr. Sit joined Code Agriculture (Holdings) Limited as the financial controller (Stock code: 8153). Mr. Sit received a bachelor's degree in Accountancy from the Hong Kong Polytechnic University in 1999 and is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Sit currently serves as an executive director of Fujian Nuoqi Co., Ltd. (Stock Code: 1353).

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company and the Board are devoted to achieving and maintaining the highest standards of corporate governance as the Board believes that effective corporate governance practices are fundamental in enhancing shareholder value and safeguarding the interests of the Shareholders and other stakeholders. Accordingly, the Company has adopted sound corporate governance principles that emphasise a quality Board, effective internal control, stringent disclosure practices and transparency and accountability to all Shareholders.

The Company has fully complied with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, except for the deviations from the CG Code as described below.

(i) Resignation of Chairman and Chief Executive Officer with effect from 17 March 2017

Under code provision A.2.1, the roles of chairman and chief executive should be separated and should not be performed by the same individual in order to ensure that there is clear division of responsibilities between the Chairman of the Board and the chief executive of the Company.

Before 17 March 2017, Mr. Tang Yiu Chi James ("Mr. Tang") was the chairman of the Board and was responsible for the operation of the Board and the formulation of the Group's strategies and policies. Mr. Kwok Ho ("Mr. Kwok") was the chief executive officer of the Company and was responsible for the management of the Group's business, the implementation of significant policies, the daily operational decisions as well as the coordination of the overall operation.

Mr. Tang and Mr. Kwok have resigned as the chairman of the Board and the chief executive officer of the Company respectively with effect from 17 March 2017 respectively. Having considered the current business operation of the Group, the Directors consider that the Board as a whole can achieve effective functioning and formulation of strategies and policies, while other members of the Management can oversee the day-to-day management of the Group.

On 17 May 2017, the Company has appointed Mr. Zhou Yong as the chief executive officer of the Company with effect from 3 July 2017 (the effective date had subsequently been changed to 15 August 2017). Thenceforth the responsibilities of the chairman and chief executive officer will be separate and not performed by the same individual.

(ii) Nomination Committee not chaired by an independent non-executive Director

The Nomination Committee is chaired by an executive Director instead of an independent non-executive Director because the Board believes that an executive Director involved in the daily operations of the Company may be in a better position to review the composition of the Board so as to complement the Group's corporate strategy.

(iii) Absence in annual general meeting of an independent non-executive Director

Under code provision A.6.7, the independent non-executive Directors should attend the general meetings. However, one of the independent non-executive Director, Ms. Pang Yuen Shan Christina had another engagement at the same time and was unable to attend the general meeting of the Company held on 30 August 2016.

Ms. Pang Yuen Shan Christina subsequently resigned as an independent non-executive Director on 31 August 2016, as disclosed in the Company's announcement dated 31 August 2016.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as the code of conduct of the Company regarding Directors' transactions of the listed securities of the Company. The Company has made specific enquiry to all Directors, and all Directors have confirmed that they had complied with the Model Code and its code of conduct during the Year.

The Group commits to continuously improve its corporate governance practices by periodic review to ensure that the Group continues to meet the requirements of the CG Code.

BOARD COMPOSITION AND BOARD PRACTICES

Role and function

The Board is responsible for leading and controlling the business operations of the Group. It formulates strategic directions, oversees the operations and monitors the financial performance of the Group. The Management is delegated power and authority by the Board for the day-to-day management and operations of the Group. The Management is accountable to the Board for the Company's overall operation.

The Board is responsible to the Shareholders for leadership and control of the Group and be collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies, approving the annual development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control system and supervising and managing management's performance.

Regarding the Group's corporate governance, during the Year, the Board has in accordance with the terms of reference performed the following duties:

- determined and reviewed the policies and practices on corporate governance of the Group and make recommendations;
- reviewed and monitored the training and continuous professional development of Directors and senior management;
- reviewed and monitored the Group's policies and practices on compliance with legal and regulatory requirements;
- developed, reviewed and monitored the code of conduct applicable to Directors and employees; and
- reviewed the Company's compliance with the Code and disclosure in this Corporate Governance report.

The Board delegates the day-to-day management, administration and operation of the Group to the Management. The delegated functions are reviewed by the Board periodically to ensure they remain appropriate to the needs of the Group. The Board gives clear directions to the Management as to the matters that must be approved by the Board before decisions are made on behalf of the Group by the Management.

Composition

As at the date of this report, the Board comprises three executive Directors and three independent non-executive Directors.

	Membership of Board Committee(s)
Executive Directors:	
Dr. Zhiliang Ou, *J.P., (Australia)*	Member of the Remuneration Committee
Mr. Fok Chi Tak	Chairman of the Nomination Committee
Mr. Tang Yiu Chi James	
Independent Non-executive Directors:	
Mr. Lee Chi Hwa Joshua	Chairman of the Audit Committee Member of the Remuneration Committee Member of the Nomination Committee
Mr. Mak Yiu Tong	Member of the Audit Committee Chairman of the Remuneration Committee Member of the Nomination Committee
Mr. Li Chi Keung Eliot	Member of the Audit Committee Member of the Remuneration Committee Member of the Nomination Committee

Save as disclosed in the section headed "Biographical Details of Directors and Senior Management" in this annual report, there is no financial, business, family or other material/relevant relationship among the members of the Board.

Corporate Governance Report

Independent Non-executive Directors

The Company has complied with rules 3.10(1) and 3.10A of the Listing Rules. Throughout the Year, there were at least three independent non-executive Directors in the Board and the number of independent non-executive Directors represents more than one-third of the Board. As such, there exists a strong independent element in the Board, which can effectively exercise independent judgement. The Company has also complied with rule 3.10(2) of the Listing Rules which stipulates that one of the independent non-executive Directors must possess appropriate professional qualification or accounting or related financial management expertise. In compliance with the CG Code, the independent non-executive Directors are expressly identified as such in all corporate communications that disclose the names of the Directors.

The Company has received from each of its independent non-executive Directors an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules. The Group considers all independent non-executive Directors to be independent under the Listing Rules.

Appointment and re-election of Directors

Each executive Director has entered into a service contract with the Company for a term of three years unless terminated by not less than three months' notice in writing served by either party on the other, and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Memorandum and the Articles. Each independent non-executive Director had a letter of appointment with the Company for a term of three years which will continue thereafter. During the tenure, the appointment may be terminated by either party giving the other not less than three months' notice in writing.

Pursuant to paragraph A.4.2 of the Code Provisions, all Directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after appointment. By virtue of Article 112 of the Articles of Association, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board 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, Mr. Fok Chi Tak, Dr. Zhiliang Ou, Mr. Lee Chi Hwa Joshua, Mr. Mak Yiu Tong and Mr. Li Chi Keung Eliot will only hold their respective offices until the forthcoming annual general meeting and, being eligible, offer themselves for re-election as Directors at the forthcoming annual general meeting.

At each annual general meeting, at least one third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Supply of and access to information

All Board members have separate and independent access to the Company's management to fulfill their duties, and upon reasonable request, to seek independent professional advice under appropriate circumstances and at the Company's expenses. All Directors also have access to the company secretary who is responsible for ensuring that the Board procedures, and all applicable rules and regulations, are followed. Board meetings are structured so as to encourage open discussion, frank debate and active participation by Directors in meetings. The Company provides the Board with such information and explanations as are necessary to enable Directors to make an informed assessment of the financial and other information put before the Board. Queries raised by Directors are answered fully and promptly. Meeting agenda accompanied by relevant Board/committee papers are distributed to the Directors/committee members with reasonable notice in advance of a Board meeting. Minutes of board meetings and meetings of board committees, which recorded in sufficient detail the matters considered by the Board and decisions reached thereat, including any concerns raised or dissenting views expressed by any Director, are kept by the company secretary and open for inspection by the Directors.

Liability insurance for the Directors

The Company has arranged for appropriate insurance covering the liabilities in respect of legal action against the Directors and officers that may arise out of its corporate activities. The insurance coverage is reviewed on an annual basis.

Directors' continuing professional development program

All Directors confirmed that they had complied with code provision A.6.5 of the CG Code during the Year, that all Directors had participated in continuous professional development to develop and refresh their knowledge and skills. The Company has arranged an in-house training on the Listing Rules in the form of a seminar during the Year conducted by the Company's legal adviser and relevant training material has been distributed to all the Directors. All Directors had attended the in-house training. The training covered topics including the CG Code, listed company regulations and disclosure obligations in Hong Kong, disclosable transactions and connected transactions etc.

BOARD AND GENERAL MEETINGS

The Board meets regularly and, in addition to regular meetings, it meets as and when warranted by particular circumstances. During the Year, the Directors' attendance of the Board meetings is set out as follows:

		Attendance/ Number of meetings during the Year
Executive Directors		
Dr. Zhiliang Ou, *J.P., (Australia)*	(appointed on 28 February 2017)	1/2
Mr. Fok Chi Tak	(appointed on 28 February 2017)	2/2
Mr. Tang Yiu Chi James		8/9
Mr. Kwok Ho	(resigned on 17 March 2017)	8/8
Independent Non-executive Directors		
Mr. Lee Chi Hwa Joshua	(appointed on 28 February 2017)	2/2
Mr. Mak Yiu Tong	(appointed on 28 February 2017)	2/2
Mr. Li Chi Keung Eliot	(appointed on 17 March 2017)	1/1
Mr. Kwong Ping Man	(resigned on 17 March 2017)	8/8
Mr. Chu Wai Wa Fangus	(resigned on 17 March 2017)	8/8
Mr. Yeung Ho Ming	(appointed on 31 August 2016 and resigned on 17 March 2017)	5/5
Ms. Pang Yuen Shan Christina	(resigned on 31 August 2016)	2/3

Except for Ms. Pang Yuen Shan Christina, all the then Directors and representatives of the then auditors attended the annual general meeting held on 30 August 2016 to answer questions of shareholders.

BOARD COMMITTEES

The Board has established (i) Audit Committee, (ii) Remuneration Committee, and (iii) Nomination Committee with defined terms of reference. The terms of reference of each of the board committees, which explain their respective roles and the authority delegated to them by the Board, are available on the websites of the Company and the Stock Exchange. The board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice and other assistance under appropriate circumstances, at the Company's expenses.

AUDIT COMMITTEE

The Company established the Audit Committee on 23 October 2015 with written terms of reference in compliance with paragraphs C.3 of the CG Code. As at 31 March 2017 and up to the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Lee Chi Hwa Joshua, Mr. Mak Yiu Tong and Mr. Li Chi Keung Eliot. Mr. Lee Chi Hwa Joshua is the chairman of the Audit Committee. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control system of the Group. It also acts as an important link between the Board and the Company's auditor in matters within the scope of the group audit. Meetings shall be held at least twice a year.

The Audit Committee members held three meetings during the Year. The attendance record of each member of the Audit Committee is set out below:

		Attendance/ Number of meetings during the Year
Mr. Lee Chi Hwa Joshua *(Chairman)*	(appointed on 28 February 2017)	0/0
Mr. Mak Yiu Tong	(appointed on 28 February 2017)	0/0
Mr. Li Chi Keung Eliot	(appointed on 17 March 2017)	0/0
Mr. Kwong Ping Man	(resigned on 17 March 2017)	3/3
Mr. Chu Wai Wa Fangus	(resigned on 17 March 2017)	3/3
Mr. Yeung Ho Ming	(appointed on 31 August 2016 and resigned on 17 March 2017)	1/1
Ms. Pang Yuen Shan Christina	(resigned on 31 August 2016)	2/2

A summary of the work performed by the Audit Committee during the Year and up to the date of this report included:–

(a) reviewing the audited accounts and final results announcement for the year ended 31 March 2017 and the interim report and the interim results announcement for the six months ended 30 September 2016;

(b) reviewing the accounting principles and practices adopted by the Group and ensured the compliance with relevant accounting standards, the Listing Rules and other statutory requirements;

(c) reviewing the effectiveness of internal control; and

(d) meeting with the auditors to go through any significant audit issues or key findings noted during the audit of the Group's final results for the year ended 31 March 2017.

All issues raised by the Audit Committee have been addressed by the management. The work and findings of the Audit Committee have been reported to the Board. During the Year, no issues brought to the attention of the management and the Board were of sufficient importance to require disclosure in this annual report.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee on 23 October 2015 with written terms of reference in compliance with paragraph B.1 of the CG Code. As at 31 March 2017 and up to the date of this report, the Remuneration Committee comprises four members, namely Dr. Zhiliang Ou, Mr. Lee Chi Hwa Joshua, Mr. Mak Yiu Tong and Mr. Li Chi Keung Eliot. Mr. Lee Chi Hwa Joshua is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are, amongst other things, to make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management and on the Group's policy and structure for all remuneration of the Directors and senior management. No individual Director was allowed to involve in deciding his own remuneration.

The Remuneration Committee members held four meetings during the Year. The attendance record of each member of the Remuneration Committee is set out below:

		Attendance/ Number of meetings during the Year
Mr. Mak Yiu Tong *(Chairman)*	(appointed on 28 February 2017)	1/1
Dr. Zhiliang Ou, *J.P., (Australia)*	(appointed on 17 March 2017)	0/0
Mr. Lee Chi Hwa Joshua	(appointed on 28 February 2017)	1/1
Mr. Li Chi Keung Eliot	(appointed on 17 March 2017)	0/0
Mr. Chu Wai Wa Fangus	(resigned on 17 March 2017)	4/4
Mr. Tang Yiu Chi James	(resigned on 17 March 2017)	4/4
Mr. Kwong Ping Man	(resigned on 17 March 2017)	4/4
Mr. Yeung Ho Ming	(appointed on 31 August 2016 and resigned on 17 March 2017)	2/2
Ms. Pang Yuen Shan Christina	(resigned on 31 August 2016)	1/2

A summary of the work performed by the Remuneration Committee during the Year included:–

(a) making recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration;

(b) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives;

(c) making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;

(d) making recommendations to the Board on the remuneration of non-executive Directors;

(e) considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries; and

(f) ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration.

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to directors' duties, responsibilities and performance and the results of the Group. In addition, the directors' remuneration is reviewed by the Remuneration Committee of the Company annually. Details of the directors' remuneration are set out in note 9 of the consolidated financial statements.

REMUNERATION OF THE SENIOR MANAGEMENT

During the Year, the remuneration of senior management (whose biographies are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report), other than Directors is listed as below by band:

	No. of person
HK$1,000,001 to HK$2,000,000	1
HK$1,000,000 and below	4

Further details of the remuneration of the Directors and the five highest paid employees required to be disclosed under Appendix 16 of the Listing Rules have been set out in note 9 to the consolidated financial statements.

NOMINATION COMMITTEE

The Company established the Nomination Committee on 23 October 2015 with written terms of reference in compliance with paragraph A.5 of the CG Code. As at 31 March 2017 and up to the date of this report, the Nomination Committee comprises four members, namely Mr. Fok Chi Tak, Mr. Lee Chi Hwa Joshua, Mr. Mak Yiu Tong and Mr. Li Chi Keung Eliot. Mr. Fok Chi Tak is the chairman of the Nomination Committee. The Nomination Committee is mainly responsible for making recommendations to the Board on appointment of Directors and succession planning for the Directors.

The Nomination Committee members held four meetings during the Year. The attendance record of each member of the Nomination Committee is set out below:

		Attendance/ Number of meetings during the Year
Mr. Fok Chi Tak *(Chairman)*	(appointed on 17 March 2017)	0/0
Mr. Lee Chi Hwa Joshua	(appointed on 28 February 2017)	1/1
Mr. Mak Yiu Tong	(appointed on 28 February 2017)	1/1
Mr. Li Chi Keung Eliot	(appointed on 17 March 2017)	0/0
Mr. Chu Wai Wa Fangus	(resigned on 17 March 2017)	4/4
Mr. Tang Yiu Chi James	(resigned on 17 March 2017)	4/4
Mr. Kwong Ping Man	(resigned on 17 March 2017)	4/4
Mr. Yeung Ho Ming	(appointed on 31 August 2016 and resigned on 17 March 2017)	2/2
Ms. Pang Yuen Shan Christina	(resigned on 31 August 2016)	1/2

BOARD DIVERSITY POLICY

The Company have adopted a board diversity policy during the Year. A summary of such board diversity policy, the measureable objectives set for implementing such board diversity policy, and the progress made towards achieving those objectives are disclosed as below.

Summary of the Board Diversity Policy

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. 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, professional experience, skills and knowledge. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives

Selection of candidates will be based on a range of diversified perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition will be disclosed in the corporate governance report annually in accordance with the Listing Rules.

Monitoring

The Nomination Committee is responsible for monitoring achievement of the measureable objectives as set out in the board diversity policy.

Diversity of the Board

The existing board members are well experienced in the construction industry, investment and finance businesses. Some of them are professionals in project management, finance, accounting and legal with extensive experience.

In view of the present size and complexities of the Group's operations and the nature of the risks and challenges it faces, the Nomination Committee considers the Company has struck a right balance of skills, experience, knowledge and diversity among the present Board members.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Group in accordance with statutory requirements and accounting standards. The Directors also acknowledge their responsibilities to ensure that the financial statements for the Group are published in a timely manner. The Directors consider that the financial statements have been prepared in conformity with the generally accepted accounting standards in Hong Kong, and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board and management with an appropriate consideration to materiality. The Directors, having made appropriate enquires, confirm that they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The accounting systems and internal control of the Group are designed to prevent any misappropriation of the Group's assets, any unauthorised transactions as well as to ensure the accuracy of the accounting records and the true and fairness of the financial statements.

The Board also acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual and half-yearly reports, other inside information announcements and other financial disclosures required under Listing Rules, and reports to the regulators as well as to information required to be disclosed pursuant to statutory requirements.

The statement of the auditors of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report contained in this annual report.

EXTERNAL AUDITOR'S REMUNERATION

The Company engaged Deloitte Touche Tohmatsu as its external auditor for the year ended 31 March 2017. The Audit Committee has been notified of the nature and the service charges of non-audit services for the agreed upon procedures in connection with preliminary results announcement for the year ended 31 March 2017 and considered that these non-audit services have no adverse effect on the independence of the auditor. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor. Details of the fees paid/payable to Deloitte Touche Tohmatsu during the Year are as follows:

	HK$
Audit services	1,000,000
Non-audit services	200,000
	1,200,000

The amount of fee incurred for the non-audit services represented the taxation service fee of the Group.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the effectiveness of the Group's internal control and risk management system, which is designed to provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud. The Group has in place an effective internal control system which encompasses sound control environment, appropriate segregation of duties, well defined policies and procedures, close monitoring and is reviewed and enhanced by the management at regular intervals.

The Group is committed to maintaining and upholding good corporate governance practice and internal control system. The Group has engaged external consultants, AVISTRA PRO-WIS Risk Advisory Limited, to review the effectiveness of the Group's risk management and internal control system and the results were summarised and reported to the Audit Committee and the Board. In respect of the reporting period, the Board considered the risk management and internal control system effective and adequate. No significant areas of concern which might affect shareholders were identified.

COMPANY SECRETARY

The company secretary of the Company is Mr. Sit Hon Wing ("Mr. Sit") whose biographical details are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report.

Mr. Sit has been informed of the requirement of the Rule 3.29 of the Listing Rules, and he confirmed that he had attained no less than 15 hours of relevant professional training during the Year.

PROCEDURES BY WHICH ENQUIRIES MAY BE PUT TO THE BOARD

Shareholders may send their enquiries and concerns to the Board by addressing them to the company secretary of the Company by post to the principal place of business set out in the section headed "Corporate Information", by fax at 2668-4886 or by email at info@chimkee.com. The company secretary of the Company is responsible for forwarding communications relating to matters within the Board's direct responsibilities to the Board and communications relating to ordinary business matters, such as suggestions and inquiries, to the senior management of the Company.

PROCEDURES FOR CONVENING GENERAL MEETINGS BY SHAREHOLDERS

Pursuant to Article 64 of the Articles of Association, the Board may whenever it thinks fit to convene extraordinary general meetings.

Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings.

Such requisition shall be made in writing to the Board or the Company Secretary by mail at Rooms 4917-4932, 49/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 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.

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETING

Shareholders are requested to follow Article 64 of the Articles of Association for including a resolution at any general meeting. The requirements and procedures are set out above in the paragraph headed "Procedures for convening general meetings by shareholders".

COMMUNICATION WITH SHAREHOLDERS

The Directors recognise the importance of long-term support from the shareholders of the Company. The Company attaches great priority to establish effective communication with its shareholders and investors. In an effort to enhance such communications, the Company provides information relating to the Company and its business in its annual report and also disseminates such information electronically through its website at http://www.chimkeegroup.com.hk.

The Company regards the annual general meeting as an important event as it provides an opportunity for direct communication between the Board and its shareholders. All Directors, senior management and external auditors make an effort to attend the annual general meeting of the Company to address shareholders' queries. All the shareholders of the Company are given at least twenty one (21) days' notice of the date and venue of the annual general meeting of the Company. The Company supports the CG Code's principle to encourage shareholders' participation.

The Board will review regularly the Group's operation and corporate governance of the Company in order to ensure compliance of the articles of association of the Company, the laws of the Cayman Islands and regulations and to protect the interest of its shareholders.

SCOPE OF THE REPORT

This year's report covers the construction machinery business of Hao Tian International Construction Investment Group Limited (the "Company") and its subsidiaries (collectively, the "Group"), which mainly includes rental and trading of construction machinery.

The report covers the period between 1 April 2016 to 31 March 2017, which is in line with the time period of the annual report.

This report is compiled in accordance with Appendix 27 of the "Rules for the Main Board of the Hong Kong Stock Exchange: Environmental, Social and Governance Reporting Guide". It is the Group's first report compiled based on this guide. General disclosures are made based on the "comply or explain" provision of the guide. The 2017 report is intended to extend the scope of the report to cover key performance indicators.

COMMUNICATION WITH STAKEHOLDERS

The Group realises that long-term support of stakeholders is crucial. The Group greatly emphasizes on the establishment of effective communication channels with stakeholders. In order to improve relevant communications, the Group provides reports regarding the environmental, social and governance aspects and publishes related information on its website.

The Group also provides opportunities for stakeholders to provide valuable advice on the Group's environmental, social and governance aspects through channels like meetings, e-mails and customer service hotlines.

A Environment

A.1 Emissions

The Group realises that emission reduction has gradually become an important aspect for global environment and economy, and integrates environmental management into decision-making of the Group's multiple levels of operations.

The Group is principally engaged in leasing and sales of construction machinery. Although not being a direct user, the Group still takes measures to help end users achieve better emissions standards. The Group procures machinery that complies with the Environmental Protection Department's regulatory control on emissions of non-road mobile machinery. Most of the machineries are in compliance with the standards of the EU Stage IIIA or the Ministry of the Environment of Japan. Where feasible, machinery with better emission performance is preferentially purchased, and rental machinery is regularly serviced and maintained to ensure that the operation and emission of machinery are in excellent condition. The Group follows the policy of the Environmental Protection Department to phase out pre-Euro IV diesel vehicles.

On the other hand, the Group has registered with the Environmental Protection Department as a producer of chemical waste in view of the fact that the Group produces waste oil when performing mechanical repairs. All waste oil is collected by licensed chemical waste collectors for proper disposal.

The Group strictly complies with the relevant environmental laws and regulations. During the reporting period, there were no cases of prosecution for violating environmental laws and regulations.

A.2 Use of Resources

The Group also attaches great importance to the use of resources, including energy and other resources. Where feasible, priority is given to the purchase of construction machinery with better fuel efficiency. In terms of office appliances, priority is also given to products labelled with grade 1 energy efficiency label. Meanwhile, the Group's office adopts natural ventilation and reduces the use of air conditioner as much as possible. The above measures can help reduce energy consumption, with the effective use of resources as the key principle. The Group also encourages employees to use recycled water for cleaning equipment and machinery, making optimal use of water resources.

The Group is also concerned with the burden may incurred on forestry resources by the use of paper in office. Thus, it promotes digital imaging and electronic file archive. The Group implements policies that promote conservation of paper and encourage electronic medium, thereby reducing the amount of paper used and ensuring substantive action for the protection of forestry resources. The Group also sets up recycling containers to collect and recycle waste paper, aluminium cans and plastic waste, in order to make full use of available resources.

A.3 Environment and Natural Resources

The Group keeps abreast of the regulatory changes of relevant regulatory authorities, and regularly arranges its employees to attend seminars held by the Environmental Protection Department. This ensures that the Group's environmental management policies are updated in a timely manner and in compliance with the latest legislative requirements. The Group strictly complies with the policy requirements for the control of non-road mobile machinery emissions and the phase-out of pre-Euro IV diesel vehicles, so as to ensure that all users can achieve good emission level and minimize the potential environmental impact on the air quality.

B Social

B.1 Employment

In terms of employment, the Group respects the equal rights and interests of employees, opposes any form of discrimination, and respects the gender, age, race and disability of each person, thereby ensuring that employees are fully respected and protected. The Group provides competitive remuneration to its employees according to market standards. It also annually evaluates the contribution of employees to the Group and utilise the evaluation results, staff experience and ability as the objective basis for salary adjustment and job promotion.

In addition, the Group provides medical insurance to its employees. In case of unfortunate work injury, the Group will provide fair and reasonable subsidies to its employees and their families.

The Group respects the established work hours, refrain from forcing employees to work overtime, and organises recreational activities for employees, in order to help employees achieve work-life balance, improve work efficiency, as well as protect employees' rest and leave benefits.

The Group strictly complies with the relevant employment laws and regulations. During the reporting period, there were no cases of prosecution for violating employment laws and regulations.

B.2 Health and Safety

From the education, verification and other aspects, the Group fully ensures that its occupational safety has achieved a level of excellence. The Group always provides safety training before assigning employees to a new workplace in order to ensure that they understand the type, environment and circumstances of the site and are fully aware of the matters needing attention when operating relevant construction machinery at the site. The Group arranges safety talks and training every month to enhance the safety awareness of employees, refreshing and learning safety issues, so that employees can identify high-risk areas.

The Group provides protective equipment for each employee who operates machinery, such as safety helmets, dust masks and other protective equipment. It also arranges designated staff to manage and record protective equipment, in order to ensure that the equipment is effective and in good condition, and to enhance the protection of employee's occupational safety.

The Group strictly complies with the relevant safety laws and regulations. During the reporting period, there were no cases of prosecution for violating safety laws and regulations.

B.3 Development and Training

The Group recognises that talent is a valuable asset to the corporation and also the cornerstone for the Group's long-term development. The Group provides training sponsorships to the appropriate employees, and is committed to nurturing talent, and provides employees with all aspects of vocational skills training, so as to enhance the overall quality of employees.

All of the Group's operators and engineering personnel must hold relevant certificates and licenses. The Group provides in-service training to new employees, to ensure that they have the necessary skills and knowledge to perform their duties. The Group also provides technical courses to existing employees who operate complex construction machinery. In order to obtain the latest skills and knowledge of the Group's machinery that are being leased and sold, the Group sends employees to participate in training courses organised by manufacturers,. The Group also arranges senior staff to guide junior staff so that employees can complement each other and passes on valuable experience, and establishes a stable foundation of talent for the future development of the Group.

B.4 Labour Standards

The Group strictly prohibits child labour and forced labour. During staff recruitment, the identity of potential employees is strictly reviewed to ensure that they are at least eighteen years of age. The Group prohibits any form of forced labour or servitude and ensures that all employees are working on a voluntary basis.

The Group did not have any situations of child labour or forced labour during the reporting period.

B.5 Supply Chain Management

The Group conducts a strict background investigation of its major suppliers to evaluate their corporate social responsibility performance. Before selecting a new supplier, the Group will evaluate the supplier's background information, quality of product or service, market price, delivery date, level of customer service, as well as reputation of the supplier. For existing suppliers, the Group reviews and evaluates annually and updates the approved supplier list on a regular basis.

The Group seeks to promote continuous improvement of its suppliers through comprehensive evaluation and review.

B.6 Product Responsibility

In order to ensure that the quality, performance and safety levels of the products are in compliance with the requirements of non-road mobile machinery, all distributed products through the Group are subject to a series of inspection and verification procedures before they leave the factory. The Group also provides after-sales technical support, regular inspection, and repair and maintenance services for such distributed products. The manufacturer will generally provide a 12-month warranty for new machinery, and is responsible for all liability and expenses in the event of any defects or malfunctions with regard to design, manufacturing or material during the warranty period.

The Group makes clear indications to all sales staff members to provide accurate and genuine information to customers during sales, reflecting the Group's reputation, and its emphasis on long-term cooperation with customers.

The Group strictly complies with the relevant product responsibility laws and regulations. During the reporting period, there were no cases of prosecution for violating product responsibility or product description laws and regulations.

B.7 Anti-corruption

The Board of Directors of the Company regularly reviews its corporate governance structure and standard, including developing a code of conduct that is applicable to directors and employees, and establishing an audit committee to conduct internal review. All transactions of the Group are supported by appropriate documentation. The Group also entrusts an external auditor to audit financial statements.

The Group believes that fairness and integrity in business transactions are especially important to the Group's long-term development. Without the consent of the Board of Directors, all employees are not permitted to receive commission, rebate, gratuity, loan, gift or preference from any person, company or organisation that has business dealings with the Group, and are not permitted to ask for any benefits from any such person, company or organisation. Employee who violates this code will be subject to disciplinary action. The Group also requires employees not to directly or indirectly engage in any activities or transactions with customers, principals, suppliers or third parties who are in conflict with the work commitment and the interests of the Group; and any conflicts of interest must be reported in advance. For effective supervision, the Group has set up reporting channel for employees to report such cases.

The Group strictly complies with the relevant anti-corruption and anti-bribery laws and regulations. During the reporting period, there were no cases of prosecution for violating the related laws and regulations.

B.8 Community Investment

The Group respects the culture and traditions of the local district, and supports projects and programs that benefit the needs of the community. The Group attaches great importance to the views of community groups and is committed to engaging them in a timely manner to win and maintain their trust with the Group, bringing sustained benefits to the community. Wherever feasible, the Group will consider working with community groups that shares common values, so that its investments in the community will produce positive results.

THE WAY FORWARD

In the future, the Group will continue to take more initiatives that will be beneficial to the environment, society and governance, including responding to relevant government policies and participating in activities organized by relevant organisations.

Other than the general disclosures in accordance to Appendix 27 of the Rules for the Main Board of the Hong Kong Stock Exchange: Environmental, Social and Governance Reporting Guide, the Group plans to extend the scope of the report to cover key performance indicators in its 2017 Environmental, Social and Governance Report, in order to reflect the Group's commitment to environment and society.

Report of the Directors

The Board presents to the shareholders this report together with the audited financial statements of the Company and the Group for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and details of the principal activities of its subsidiaries are set out in note 38 to the consolidated financial statements. There was no significant change in the Group's principal activities during the Year.

CORPORATE REORGANISATION

The Company was incorporated in the Cayman Islands on 24 September 2014 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised), of the Cayman Islands. In preparation of the Listing, the companies now comprising the Group underwent the corporate reorganisation (the "Reorganisation") pursuant to which the Company became the holding company of the Group on 20 October 2015. For details of the Reorganisation, please refer to the paragraph headed "History, Development and Reorganisation" in the Prospectus.

The Company's shares have been listed on the Stock Exchange since 10 December 2015.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 63. No dividend was paid or proposed by the Company during the Year, nor has any dividend been proposed by the Directors since the end of the year.

BUSINESS REVIEW

The review of the business of the Group during the Year and the discussion on the Group's future business development are set out in the sections headed "Director's Statement" and "Management Discussion and Analysis", and the description of principal risks and uncertainties facing the Group and key financial performance indicators are set out in the section headed, "Management Discussion and Analysis". The financial risk management objectives and policies of the Group are set out in note 3 to the consolidated financial statements. In addition, discussions on the Group's relationships with key stakeholders, environmental policies and performance and compliance with relevant laws and regulations which have a significant impact on the Group are as follows:

Relationship with key stakeholders

The Group's success depends on the support from key stakeholders which comprise employees, customers and subcontractors and suppliers.

Employees

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

Customers

The major customers include construction work companies engaged in either public or private construction projects in Hong Kong which require particular types of construction machinery at different stages of their projects. We have established long-term business relationship with some of the customers for over 10 years. The sales and marketing team maintains contacts with these customers regularly to understand their needs and to provide relevant information to support their projects.

Suppliers

The major suppliers include manufacturers and service providers of construction machinery, oil companies, and other third party service companies for maintenance, transportation and assembly/disassembly services engaged by us. We proactively communicate with the suppliers to ensure they are committed to delivering high-quality and sustainable products and services. We will select suppliers from the pre-approved lists of subcontractors and suppliers.

ENVIRONMENTAL POLICIES AND PERFORMANCE

We believe that our business also depends on our ability to meet our customers' requirements in respect of safety, quality and environmental aspects. To meet our customers' requirements on safety, quality and environmental aspects, we have established safety, quality and environmental management systems. Through the systematic and effective control of our operations, compliance with safety, quality and environmental requirements can be further assured. Details of environmental policies and performance are set out in the section headed "Environmental, Social and Governance Report".

Report of the Directors

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Directors confirmed that during the Year and up to the date of this annual report, the Group had obtained all the registrations and certifications required for its business and operations and had complied with the applicable laws and regulations in Hong Kong.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and of the Group during the Year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 26 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 66.

DISTRIBUTABLE RESERVES

As at 31 March 2017, the Company had reserves amounted to approximately HK$43.2 million available for distribution as calculated based on Company's share premium, capital reserve and accumulated losses under applicable provisions of the Companies Law in the Cayman Islands.

GROUP FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 134. This summary does not form part of the audited financial statements.

DIRECTORS

The Directors of the Company during the Year and up to the date of this report were:

Executive Directors

Dr. Zhiliang Ou, *J.P., (Australia)*	(appointed on 28 February 2017)
Mr. Fok Chi Tak	(appointed on 28 February 2017)
Mr. Tang Yiu Chi James	
Mr. Kwok Ho	(resigned on 17 March 2017)

Independent Non-executive Directors

Mr. Lee Chi Hwa Joshua	(appointed on 28 February 2017)
Mr. Mak Yiu Tong	(appointed on 28 February 2017)
Mr. Li Chi Keung Eliot	(appointed on 17 March 2017)
Mr. Kwong Ping Man	(resigned on 17 March 2017)
Mr. Chu Wai Wa Fangus	(resigned on 17 March 2017)
Mr. Yeung Ho Ming	(appointed on 31 August 2016 and resigned on 17 March 2017)
Ms. Pang Yuen Shan Christina	(resigned on 31 August 2016)

Information regarding directors' emoluments are set out in note 9 to the consolidated financial statements.

The Directors' biographical details are set out in the section headed "Biographical Details of Directors and Senior Management" in this report.

In accordance with Article 112 of the Articles, any director appointed by the Board either to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting and any Director appointed by the Board 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.

Pursuant to Article 108 of the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Dr. Zhiliang Ou, Mr. Fok Chi Tak, Mr. Lee Chi Hwa Joshua, Mr. Mak Yiu Tong and Mr. Li Chi Keung Eliot will retire from office as Directors at the forthcoming annual general meeting of the Company. All of the aforesaid Directors being eligible, will offer themselves for re-election.

The Company has received from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACT

Each of the executive Directors has entered into a service contract with the Company for a term of three years unless terminated by not less than three months' notice in writing served by either party on the other, and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Memorandum and the Articles. Each independent non-executive Director had a letter of appointment with the Company for a term of three years which shall be renewable by mutual agreement thereafter. During the tenure, the appointment may be terminated by either party giving the other not less than three months' notice in writing.

Apart from the foregoing, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year was the Company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors, or their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or had exercised any such right during the Year.

EQUITY-LINKED AGREEMENTS

Save as disclosed under the section headed "Share Option Scheme" below, no equity-linked agreements were entered into by the Group, or existed during the Year.

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

As at 31 March 2017, none of the Directors or chief executive of the Company had registered an interest or short position in the Shares or underlying Shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap.571)("SFO")) which were 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 he was taken or deemed to have under provision of the SFO) or were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2017, so far as is known to the Directors or chief executive of the Company, the following persons (other than Directors or chief executive of the Company), who had interests or short positions in the Shares, the underlying Shares and debentures of the Company and its associated corporation within the meaning of Part XV of the SFO which were required to be disclosed pursuant to the provision of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein, were as follows:

Name of shareholder	Capacity/ Nature of interest	Number of shares held (Note 1)	Percentage of shareholding
Hao Tian Management (China) Limited ("Hao Tian China") (Note 2)	Beneficial owner	807,947,000	80.79%
Win Team Investments Limited (Note 3)	Interests of controlled corporation	807,947,000	80.79%
Hao Tian (Note 4)	Interests of controlled corporation	807,947,000	80.79%
Asia Link Capital Investment Holdings (Note 4)	Interests of controlled corporation	807,947,000	80.79%
Li Shao Yu (Note 5)	Interests of controlled corporation	807,947,000	80.79%

Notes:

1. All interests stated are long positions.

2. Hao Tian China is directly wholly owned by Win Team Investments Limited.

3. Win Team Investments Limited is directly wholly owned by Hao Tian.

4. Asia Link Capital Investment Holdings Limited ("Asia Link") beneficially owns 61.76% of the entire issued share capital of Hao Tian. Therefore, Asia Link is deemed, or taken to be, interested in all the Shares held by Hao Tian for the purpose of the SFO.

5. Asia Link is directly wholly-owned by Li Shao Yu.

Save as disclosed above, as at 31 March 2017, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein.

SHARE OPTION SCHEME

The Company's share option scheme was adopted pursuant to a resolution passed on 23 October 2015 for the purpose of providing incentives or rewards to eligible persons who the Board considers, in its sole discretion, have contributed or will contribute to the Group. Under the Share Option Scheme, the Board may grant options to eligible persons, including directors of the Company and its subsidiaries, to subscribe for the Shares. Eligible persons of the Share Option Scheme, amongst others, include any executives, any employee (including proposed, full-time or part-time employee), a director or proposed director (including an independent non-executive director), a direct or indirect shareholder of any member of the Company and its subsidiaries and an associate of any of the aforementioned persons.

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

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

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

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

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. Options granted shall be taken up upon payment of HK$1 as consideration for the grant of option. Options may be exercised at any time from the date which option is deemed to be granted and accepted and expired on the date as the Board in its absolute discretion determine and which shall not exceeding a period of 10 years from the date on which the share options are accepted but subject to the provisions for early termination thereof contained in the Share Option Scheme.

The subscription price is determined by the Board, 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 offer and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the offer date. The Share Option Scheme shall be valid and effective for a period of 10 years commencing on 23 October 2015. No share options were granted, forfeited or expired during the Year. As at the date of this annual report, the total number of Shares available for issue under the Share Option Scheme was 120,000,000 Shares, representing 10% of the issued shares of the Company.

CONNECTED TRANSACTIONS

The Group has entered into one transaction with the connected persons of the Company. Details of such transaction is set out in the section headed 'Connected Transactions' in the Prospectus. Such transactions constituted the continuing connected transaction under Chapter 14A of the Listing Rules upon Listing.

Exempt Continuing Connected Transactions

On 1 January 2015, a subsidiary of the Company entered into a lease agreement with Profit Principle Limited ("Profit Principle"), pursuant to which Profit Principle as landlord agreed to lease a property located at 1/F, Block Front, 438 Nathan Road, Yau Ma Tei, Kowloon, Hong Kong with a gross area of approximately 100 sq.ft. to the Company as tenant at a monthly rental of HK$4,000 for a period of three years commencing from 1 January 2015. The Premises is occupied by the Group as one of the offices for daily administrative purposes.

Mr. Tang Yiu Chi James, the executive Director of the Company, is also a director of Profit Principle. As such, Profit Principle is the connected person and the lease agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The lease agreement entered between the Company and Profit Principle was on normal commercial terms where each of the relevant percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules is less than 5% and total fees payable under lease agreement is less than HK$3,000,000. Pursuant to Chapter 14A of the Listing Rules, the lease agreement is exempted from the reporting, annual review, announcement and independent shareholders' approval requirements.

RELATED PARTY TRANSACTIONS

The significant related party transactions entered into by the Group during the Year set out in note 34 to the consolidated financial statements included transactions that constitute connected/continuing connected transactions for which the disclosure requirements under the Listing Rules have been complied with.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as those disclosed in the paragraphs headed "Connected Transactions" and in note 34 to the consolidated financial statements, no other transactions, arrangements or contracts of significance, to which the Company or any of its subsidiaries was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Year.

MANAGEMENT CONTRACTS

No contracts concerning the Management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

COMPETING BUSINESS

During the Year, none of the Directors or Hao Tian China and their respective associates had any interests in a business, apart from the business of the Group, which competes or may compete with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every director shall be entitled to be indemnified out of the assets or profits of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Company has arranged appropriate directors' liability insurance coverage for the Directors of the Company during the Year.

EMOLUMENT POLICY

The emolument policy of the employees of the Group was set up by the Remuneration Committee on the basis of their merit, qualifications and competence. The emolument of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a Share Option Scheme as an incentive to eligible persons, details are set out under heading "Share Option Scheme" in this annual report.

RETIREMENT BENEFIT SCHEME

Details of the Group's retirement benefit schemes are set out in note 3 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

MARKET CAPITALISATION

As at 31 March 2017, the market capitalisation of the listed shares of the Company was approximately HK$670.0 million based on the total number of 1,000,000,000 issued shares of the Company and the closing price of HK$0.67 per share.

SUFFICIENCY OF PUBLIC FLOAT

On 14 March 2017, immediately following the close of the mandatory unconditional cash offer being made by Haitong International Securities Company Limited for and on behalf of Hao Tian China to acquire all of the issued Shares in the entire share capital of the Company (other than those Shares already owned or agreed to be acquired by Hao Tian China and parties acting in concert with it), approximately 19.21% of the issued Shares are held by the public. Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied. An application has been made to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for a period of 90 days commencing from 14 March 2017.

On 20 April 2017, the Board was informed by Hao Tian China that it has sold 57,947,000 Shares, representing approximately 5.79% of the total issued Shares to independent third parties through a placing agent. Accordingly, the minimum public float of 25.00% in the Shares as required under Rule 8.08(1)(a) of the Listing Rules has been restored since 20 April 2017.

Except for the period mentioned above, based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained sufficient public float during the Year as required under the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of the Group's turnover and purchases attributable to major customers and suppliers during the year ended 31 March 2017 and 2016 are as follows:

	For the year ended	
	31 March 2017 %	31 March 2016 %
Percentage of turnover		
From the largest customer	**14.4%**	12.6%
From the five largest customers in aggregate	**46.0%**	39.6%
Percentage of purchase		
From the largest supplier	**14.8%**	68.7%
From the five largest suppliers in aggregate	**45.6%**	81.5%

None of the Directors, their close associates or any shareholders (which to the knowledge of the Directors who owned more than 5% of the Company's share capital) had any interest in the five largest customers nor suppliers during the Year.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

CHANGE OF AUDITORS

BDO Limited ("BDO") resigned as the auditors of the Company with effect from 7 April 2017. Messrs. Deloitte Touche Tohmatsu was appointed as the new auditors of the Company with effect from 7 April 2017 following the resignation of BDO.

BDO confirmed that there were no circumstances connected with its resignation which needed to be brought to the attention of the Shareholders. Further information regarding the aforesaid change of auditors of the Company was published in the announcement of the Company dated 7 April 2017.

The consolidated financial statements have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for re-appointment at the annual general meeting.

On behalf of the Board

Fok Chi Tak
Hao Tian International Construction Investment Group Limited
Executive Director

Hong Kong, 28 June 2017

Deloitte. 德勤

TO THE MEMBERS OF
HAO TIAN INTERNATIONAL CONSTRUCTION INVESTMENT GROUP LIMITED
昊天國際建設投資集團有限公司
(FORMERLY KNOWN AS CLEAR LIFT HOLDINGS LIMITED 焯陞企業控股有限公司)
(incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Hao Tian International Construction Investment Group Limited (formerly known as Clear Lift Holdings Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 63 to 133, which comprise the consolidated statement of financial position as at 31 March 2017, and 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 2017, 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 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.

Independent Auditor's Report

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.

Key audit matter	How our audit addressed the key audit matter
Estimated impairment of trade receivables	
We identified the estimated impairment of trade receivables as a key audit matter due to the use of judgement and estimates by the management on the evaluation of the recoverability of trade receivables. As disclosed in note 17 to the consolidated financial statements, the carrying amount of trade receivables is HK$74,261,000. An amount of HK$346,000 was recognised as allowance for bad and doubtful debts during the year ended 31 March 2017 due to in default and in dispute with the relevant customers. As set out in note 4 to the consolidated financial statements, in determining the recoverability of trade receivables, the Group considers the credit quality of the trade receivables with reference to the credit history including default or delay in payments, historical settlements, settlements of trade receivable subsequent to the end of the reporting period and the ageing analysis of the trade receivables.	Our procedures in relation to the recoverability of trade receivables included: • Understanding the management's basis and assessment in relation to the recoverability of trade receivables; • Assessing the reasonableness of the allowance for bad and doubtful debts of these trade receivables prepared by the management with reference to the credit history of trade receivables including default or delay in payments, historical and settlement subsequent to the period end date and the ageing analysis of the trade receivables; • Inspecting, on a sample basis, the correctness of the ageing analysis of trade receivables to the sale invoices; • Inspecting subsequent settlements of the trade receivables, on a sample basis, to bank receipt slips.

Key audit matter	How our audit addressed the key audit matter

Impairment assessment of property, plant and equipment

We identified the impairment assessment of property, plant and equipment as a key audit matter due to the use of judgement and estimates by the management in determining the recoverable amounts for impairment assessment of property, plant and equipment.

As disclosed in note 14 to the consolidated financial statements, the carrying amount of property, plant and equipment is HK$284,483,000. No impairment loss in respect of the property, plant and equipment was recognised during the year ended 31 March 2017.

As set out in note 4 to the consolidated financial statements, in performing the impairment assessment, the management has determined the recoverable amounts of property, plant and equipment representing the higher of the followings, which involved significant management judgement and estimates as follows:

- Fair value less cost of disposal, based on the estimated resale values with reference to the historical disposal values or second-hand market price of the assets; and

- Value in use, based on the estimated future cash flow generates from the property, plant and equipment with reference to the historical and expected rental income from leasing for assets in use.

Our procedures in relation to the impairment assessment of property, plant and equipment included:

- Understanding the management's basis and assessment in relation to the impairment assessment of property, plant and equipment;

- Attending physical inspection to identify the existence of any obsolete and idle property, plant and equipment and the physical conditions of property, plant and equipment;

- Inspecting, on a sample basis, historical disposal values to sale invoices and performing market research and analysis to assess whether the estimated resale values of property, plant and equipment was reasonable; and

- Inspecting, on a sample basis, machinery hire agreements, sale invoices, quotations and machinery hire orders to assess whether the estimated future cash flow from the property, plant and equipment was reasonable.

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.

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

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

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

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

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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 Wan Chi Lap.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 June 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2017

	NOTES	**2017** **HK$'000**	2016 HK$'000 (restated)
Revenue	5	**194,364**	277,275
Cost of sales and services rendered		**(161,867)**	(245,518)
Gross profit		**32,497**	31,757
Other income and gains	7	**6,557**	390
Administrative expenses		**(32,780)**	(28,105)
Finance costs	8	**(5,354)**	(5,486)
Listing expenses		**–**	(10,539)
Profit (loss) before taxation		**920**	(11,983)
Income tax (expense) credit	10	**(613)**	738
Profit (loss) and total comprehensive income (expense) for the year	11	**307**	(11,245)
Attributable to:			
Owners of the Company		**300**	(11,240)
Non-controlling interests		**7**	(5)
		307	(11,245)
Earning (loss) per share (HK cents)	13		
Basic		**0.03**	(1.30)

Consolidated Statement of Financial Position

At 31 March 2017

	NOTES	2017 HK$'000	2016 HK$'000 (restated)
Non-current assets			
Property, plant and equipment	14	**284,483**	214,409
Finance lease receivables	15	**4,241**	5,191
Deferred tax assets	25	**6,364**	2,032
Pledged bank deposits	19	**4,603**	4,578
Deposits for acquisition of property, plant and equipment		**5,232**	–
		304,923	226,210
Current assets			
Inventories	16	**2,018**	1,415
Trade receivables	17	**74,261**	55,690
Other receivables, deposits and prepayments	18	**5,163**	6,634
Finance lease receivables	15	**3,112**	4,228
Amount due from a related company	22	**2**	3
Tax recoverable		**1,279**	4,890
Bank balances and cash	19	**71,279**	91,715
		157,114	164,575
Current liabilities			
Trade payables	20	**8,050**	6,238
Accruals, deposits received and other payables	21	**16,986**	12,263
Amount due to a director	22	**310**	565
Borrowings	23	**118,744**	80,822
Obligations under finance leases	24	**3,877**	3,769
Tax payable		**2,639**	59
		150,606	103,716
Net current assets		**6,508**	60,859
Total assets less current liabilities		**311,431**	287,069

Consolidated Statement of Financial Position

At 31 March 2017

	NOTES	2017 HK$'000	2016 HK$'000 (restated)
Non-current liabilities			
Borrowings	23	**33,487**	9,346
Obligations under finance leases	24	**3,015**	3,485
Deferred tax liabilities	25	**30,781**	30,397
		67,283	43,228
Net assets		**244,148**	243,841
Equity			
Share capital	26	**10,000**	10,000
Reserves		**233,898**	233,598
Equity attributable to owners of the Company		**243,898**	243,598
Non-controlling interests		**250**	243
Total equity		**244,148**	243,841

The consolidated financial statements on pages 63 to 133 were approved by the Board of Directors on 28 June 2017 and are signed on its behalf by:

FOK CHI TAK	**TANG YIU CHI JAMES**
DIRECTOR	*DIRECTOR*

Consolidated Statement of Changes in Equity

For the year ended 31 March 2017

	Attributable to owners of the Company							
	Share capital	**Share premium**	**Capital reserve**	**Merger reserve**	**Accumulated profits**	**Total**	**Non-controlling interests**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	(note a)		(note b)	(note a)				
At 1 April 2015	1,000	–	–	–	237,193	238,193	248	238,441
Loss and total comprehensive expense for the year	–	–	–	–	(11,240)	(11,240)	(5)	(11,245)
Dividends (Note 12)	–	–	–	–	(62,000)	(62,000)	–	(62,000)
Arising from Group Reorganisation	(1,000)	–	–	1,000	–	–	–	–
Issue of shares upon Group Reorganisation (Note 26(b))	380	(380)	–	–	–	–	–	–
Capitalisation Issue of shares (Note 26(c))	7,953	(7,953)	–	–	–	–	–	–
Issue of shares under public offer and placing (Note 26(d))	1,667	78,370	–	–	–	80,037	–	80,037
Share issuance expenses	–	(7,683)	–	–	–	(7,683)	–	(7,683)
Deemed capital contribution	–	–	6,291	–	–	6,291	–	6,291
At 31 March 2016	10,000	62,354	6,291	1,000	163,953	243,598	243	243,841
Profit and total comprehensive income for the year	–	–	–	–	300	300	7	307
At 31 March 2017	10,000	62,354	6,291	1,000	164,253	243,898	250	244,148

Notes:

(a) The share capital of the Group as at 1 April 2015 represented the aggregated amount of the share capital of the subsidiaries and was transferred to merger reserve upon the completion of the Group Reorganisation (defined in note 1) where the transfer of the relevant subsidiaries to the Company are satisfied by issue of new shares from the Company.

(b) The capital reserve represents the deemed capital contribution from the Company's holding company in relation to listing expenses reimbursed to the Company during the year ended 31 March 2016.

Consolidated Statement of Cash Flows

For the year ended 31 March 2017

	2017 HK$'000	2016 HK$'000 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before taxation	**920**	(11,983)
Adjustments for:		
Interest income from bank deposits	**(165)**	(35)
Finance lease income	**(551)**	(596)
Finance costs	**5,354**	5,486
Gain on disposal and write-off of property, plant and equipment, net	**(143)**	(427)
Depreciation of property, plant and equipment	**40,987**	37,897
Allowance for bad and doubtful debts	**346**	4,115
Operating profit before working capital changes	**46,748**	34,457
Decrease in inventories	**16,296**	9,149
(Increase) decrease in trade receivables	**(18,917)**	11,978
Decrease in other receivables, deposits and prepayments	**1,471**	6,292
Decrease in amounts due from related companies	**–**	10,499
Increase (decrease) in trade payables	**1,812**	(12,527)
Decrease in accruals, deposits received and other payables	**(277)**	(2,836)
Decrease in amounts due to related companies	**–**	(3,965)
Cash generated from operations	**47,133**	53,047
Income tax refunded (paid), net	**1,630**	(3,750)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**48,763**	49,297
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(118,995)**	(27,064)
Proceeds from disposal of property, plant and equipment	**148**	445
Deposits paid for acquisition of property, plant and equipment	**(5,232)**	–
Repayment from related companies	**27**	–
Advance to related companies	**(26)**	–
Increase in pledged bank deposits	**–**	(28)
Addition of finance lease receivables	**(3,730)**	–
Repayments from finance lease receivables	**6,347**	4,607
Bank interest received	**140**	35
NET CASH USED IN INVESTING ACTIVITIES	**(121,321)**	(22,005)

Consolidated Statement of Cash Flows

For the year ended 31 March 2017

	2017 **HK$'000**	2016 HK$'000 (restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(5,354)**	(5,486)
Proceeds from new borrowings	**122,901**	139,098
Repayments of borrowings	**(60,838)**	(197,347)
Repayments of finance lease payables	**(4,332)**	(1,309)
Repayments to a director	**(5,406)**	(2,895)
Advance from a director	**5,151**	565
Proceeds from issue of ordinary shares	**–**	80,037
Share issuance expenses	**–**	(7,683)
Reimbursement of listing expenses by the holding company	**–**	6,291
NET CASH GENERATED FROM FINANCING ACTIVITIES	**52,122**	11,271
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(20,436)**	38,563
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**91,715**	53,152
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**71,279**	91,715

1. GENERAL INFORMATION

Hao Tian International Construction Investment Group Limited (formerly known as Clear Lift Holdings Limited) (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2004 revision) Chapter 22 of the Cayman Islands and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 10 December 2015. The address of the its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108 Cayman Islands and its principal place of business in Hong Kong changes to Rooms 4917-4932, 49/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the functional currency of the Company.

Pursuant to the special resolution of the Company dated 27 April 2017, the name of the Company has been changed from Clear Lift Holdings Limited to Hao Tian International Construction Investment Group Limited with effect from 1 June 2017.

The Company is an investment holding company and the Group is principally engaged in rental of construction machinery, trading of construction machinery and spare parts, and provision of machinery transportation services mainly in Hong Kong.

For the period from 1 April 2016 to 5 February 2017, the Company's immediate and ultimate holding company was Tang J F T Company Limited. Since 6 February 2017, its immediate and ultimate holding company changed to Hao Tian Management (China) Limited ("Hao Tian China") and Asia Link Capital Investment Holdings Limited ("Asia Link"), which are incorporated in Hong Kong and the British Virgin Islands ("BVI"), respectively, and the ultimate controlling shareholder is Ms. Li Shao Yu.

Pursuant to a group reorganisation (the "Group Reorganisation") carried out by the Group in preparation for the listing of shares of the Company on the Main Board of the Stock Exchange, the Company became the holding company of the subsidiaries now comprising the Group on 20 October 2015. Details of the Group Reorganisation are as set out in the section headed "History, Development and Reorganisation" to the Prospectus issued by the Company dated 30 November 2015.

The Group Reorganisation involved the combination of a number of entities that were under common control before and after the Group Reorganisation. The Group is therefore regarded as a continuing entity resulting from the Group Reorganisation, as there has been a continuation of the risks and benefits to the ultimate controlling parties that existed prior to the Group Reorganisation.

1. GENERAL INFORMATION (continued)

Accordingly, the consolidated financial statements have been prepared on the basis as if the Company had always been the holding company of the Group. The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year ended 31 March 2016 had been prepared as if the current group structure had been in existence throughout the year ended 31 March 2016.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and amendments to HKFRSs and interpretation in issue but not yet effective

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

HKFRS 9	Financial instrument[1]
HKFRS 15	Revenue from contracts with customers and the related Amendments[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[1]
Amendments to HKFRS 4	Apply HKFRS 9 "Financial instruments" with HKFRS 4 "Insurance contracts"[1]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its joint venture[3]
Amendments to HKAS 7	Disclosure initiative[4]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[4]
Amendments to HKAS 40	Transfers of investment property[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2014-2016 cycle[5]
HK(IRFIC) – Int 22	Foreign currency transaction and advance consideration[1]

[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 2017.

[5] Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

HKFRS 9 Financial instruments

HKFRS 9 introduces 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 are:

- all recognised financial assets that are within the scope of HKFRS 9 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 ("FVTOCI"). All other financial assets are measured at their fair value at the end of 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 "Financial instruments: Recognition and measurement". 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.

Application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group's financial assets. Specifically, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

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.

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.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

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 lease 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 upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use while other operating lease payments are presented 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 both be presented as financing cash flows.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

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.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

HKFRS 16 Leases (continued)

As at 31 March 2017, the Group has non-cancellable operating lease commitments of HK$2,121,000 as disclosed in note 28. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors of the Company complete a detailed review.

Amendments to HKAS 7 Disclosure initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. Specifically, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The application of the amendments will result in additional disclosures on the Group's financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

The directors of the Company anticipate that the application of the other new and amendments to HKFRSs will have no material impact on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate 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;

– has exposure, or rights, to variable returns from its involvement with the investee; and

– has the ability to use its power over the investee to affect its returns.

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 consolidated 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 in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns and other similar allowances.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Service fee income is recognised when the services are provided.

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.

The Group's accounting policy for recognition of revenue from finance leases and operating leases is described in the accounting policy for leasing below.

Foreign currencies

In preparing the financial statements of each individual group entity, 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 carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising 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.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs (continued)

Borrowing costs which are not eligible for capitalisation to qualifying assets are recognised in profit or loss in the period in which they are incurred.

Retirement benefit costs

Payments to defined contribution Mandatory Provident Fund retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

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 employees up to the reporting date. Any changes in the liabilities carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit (loss) 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 and deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the 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 in which 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 the 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 the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and such costs are recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease.

Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

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 sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses on tangible assets

At the end of the 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 individual asset, 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 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. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weight average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised 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 (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Financial assets are classified into 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.

3. 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 period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and 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, deposits and other receivables, amount due from a related company, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on 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 immaterial.

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 financial asset, the estimated future cash flows of the financial assets have been affected.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (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 default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days.

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 measured at amortised cost, if, in a subsequent period, the amount of the 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments 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 an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities (including trade payables, accruals, deposits received and other payables, amount due to a director and borrowings) are subsequently measured at amortised cost using the effective interest method.

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 period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and 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 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.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments *(continued)*

Financial guarantee contracts (continued)

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

(i) the amount of obligation under the contract, as determined in accordance with HKAS 37 "Provisions, contingent liabilities and contingent assets"; and

(ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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 have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are 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 associated 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 estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Impairment of trade receivables

In determining the recoverability of trade receivables, the Group considers the credit quality of the trade receivables with reference to the credit history including default or delay in payment, historical settlements and settlements of trade receivables subsequent to the end of the reporting period and the ageing analysis of the 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. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2017, the net carrying amounts of trade receivables are approximately HK$74,261,000 (2016: HK$55,690,000). During the year ended 31 March 2017, allowance for bad and doubtful debts of HK$346,000 (2016: HK$4,115,000) is charged to profit or loss. Details of trade receivables are disclosed in note 17.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal or future cash flows which are estimated based upon the continue use of the asset in the business; (iii) whether any assets have become obsolete or idle; and (iv) the appropriate key assumptions to be applied in preparing cash flow projections. Changing the judgement and estimations adopted by management in assessing impairment, including the estimated fair value less cost of disposal which is based on the estimated resale values with reference to the historical disposal values or second-hand market price of the assets and value in use which is based on the the estimated future cash flow generated from the property, plant and equipment with reference to the historical and expected rental income from leasing for assets in use, could affect the recoverable amounts used in the impairment test and as a result affect the Group's financial position and results of operations. As at 31 March 2017, the carrying amounts of property, plant and equipment are approximately HK$284,483,000 (2016: HK$214,409,000). In the opinion of the directors of the Company, as the recoverable amount is higher than the carrying value of the property, plant and equipment, hence as at 31 March 2017 and 2016, no impairment loss is required.

Provision for litigation

During the year and up to the date of this report, a subsidiary of the Group has been facing litigation with a customer in respect of breach of contract. The final outcomes of the litigation is not yet concluded as at the date of issuance of the consolidated financial statements. In the opinion of the directors of the Company, the result of the litigation are favourable to the subsidiary of the Group and therefore, no provision for claims in respect of the litigation was made by the Group.

However, if the final outcomes of the litigation is not favourable to the subsidiary of the Group, the claim will be recognised in the profit or loss and will have an impact on the financial performance of the Group. Details of the litigation are disclosed in note 35.

5. REVENUE

	2017 **HK$'000**	2016 HK$'000
Sale of machinery and spare parts	**20,315**	144,370
Sale of rental machinery	**49,374**	9,298
Rental income from leasing of machinery	**90,762**	87,442
Rental income from sub-leasing of machinery	**23,357**	29,121
Transportation service income	**1,212**	2,308
Other service income	**9,344**	4,736
	194,364	277,275

6. SEGMENT INFORMATION

Information reported to the chief executive officer, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on the nature of the operations of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

Trading of construction machinery and spare parts	–	sale of crawler cranes, aerial platforms and foundation equipment
Rental of construction machinery and provision of repair and maintenance service	–	rent of cranes, aerial platforms and foundation equipment and provision of repair and maintenance service for the machinery rented
Provision of transportation services	–	provision of transportation service including local container delivery, site construction delivery and heavy machinery delivery

No segment assets and liabilities are presented as the CODM does not regularly review segment assets and liabilities.

6. SEGMENT INFORMATION (continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 March 2017

	Trading of construction machinery and spare parts HK$'000	Rental of construction machinery and provision of repair and maintenance service HK$'000	Provision of transportation services HK$'000	Total HK$'000
Revenue				
From external customers	69,689	123,463	1,212	194,364
Segment profit (losses)	22,886	(4,566)	(1,412)	16,908
Other income and gains				29
Finance costs				(2,212)
Corporate expenses				(13,805)
Profit before taxation				920

6. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

For the year ended 31 March 2016

	Trading of construction machinery and spare parts HK$'000	Rental of construction machinery and provision of repair and maintenance service HK$'000	Provision of transportation services HK$'000	Total HK$'000
Revenue				
From external customers	153,668	121,299	2,308	277,275
Segment profit (losses)	14,472	(5,630)	(8)	8,834
Other income and gains				35
Finance costs				(2,608)
Listing expenses				(10,539)
Corporate expenses				(7,705)
Loss before taxation				(11,983)

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies described in note 3. Segment profits (losses) represent the profit earned by or loss from each segment without allocation of certain other income and gains, certain finance costs, listing expenses and corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

6. SEGMENT INFORMATION (continued)

Other segment information

For the year ended 31 March 2017

	Trading of construction machinery and spare parts HK$'000	Rental of construction machinery and provision of repair and maintenance service HK$'000	Provision of transportation services HK$'000	Unallocated HK$'000	Total HK$'000
Amounts (charged) credited in the measure of segment profit or loss:					
Depreciation of property, plant and equipment	(2)	(38,293)	(668)	(2,024)	(40,987)
Gain on disposal and write-off of property, plant and equipment, net	-	-	143	-	143
Allowance for bad and doubtful debts	-	(346)	-	-	(346)
Finance lease income	551	-	-	-	551
Finance costs	(265)	(2,813)	(64)	(2,212)	(5,354)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:					
Income tax (expense) credit	(3,708)	187	271	2,637	(613)

6. SEGMENT INFORMATION (continued)

Other segment information (continued)

For the year ended 31 March 2016

	Trading of construction machinery and spare parts HK$'000	Rental of construction machinery and provision of repair and maintenance service HK$'000	Provision of transportation services HK$'000	Unallocated HK$'000	Total HK$'000
Amounts (charged) credited in the measure of segment profit or loss:					
Depreciation of property, plant and equipment	(2)	(35,861)	(476)	(1,558)	(37,897)
Gain on disposal and write-off of property, plant and equipment, net	–	–	427	–	427
Allowance for bad and doubtful debts	–	(4,115)	–	–	(4,115)
Finance lease income	596	–	–	–	596
Finance costs	(337)	(2,456)	(85)	(2,608)	(5,486)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:					
Income tax (expense) credit	(2,549)	1,585	7	1,695	738

6. SEGMENT INFORMATION (continued)

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of total revenue of the Group are as follows:

	2017 **HK$'000**	2016 HK$'000
Customer A		
– trading of construction machinery and spare parts	**N/A**	28,881
– rental of construction machinery and provision of repair and maintenance service	**N/A**	5,731
– provision of transportation services	**N/A**	185
	N/A[1]	34,797
Customer B		
– trading of construction machinery and spare parts	**27,700**	N/A
– rental of construction machinery and provision of repair and maintenance service	**318**	N/A
	28,018	N/A[1]
Customer C		
– rental of construction machinery and provision of repair and maintenance service	**23,127**	N/A
– provision of transportation services	**25**	N/A
	23,152	N/A[1]

1 The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. SEGMENT INFORMATION (continued)

Geographical information

The Group's revenue from external customers is mainly derived from customers located in Hong Kong and Macau, which is determined based on the location of customers.

	2017 HK$'000	2016 HK$'000
External revenue:		
Hong Kong	**176,928**	275,095
Macau	**17,436**	2,180
	194,364	277,275

The Group's non-current assets based on the geographical location of the owners of these assets are as follows:

	Non-current assets (Note)	
	2017 **HK$'000**	2016 HK$'000
Hong Kong	**294,318**	218,987

Note: Non-current assets excluded finance lease receivables and deferred tax assets.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

7. OTHER INCOME AND GAINS

	2017	2016
	HK$'000	HK$'000
		(restated)
Other income		
Interest income from bank deposits	**165**	35
Finance lease income	**551**	596
Rental income from leasing a warehouse property and a motor vehicle	**1,914**	1,628
Sundry income	**1,022**	1,266
	3,652	3,525
Other gains and losses		
Net foreign exchange gains	**584**	553
Net gain on disposal and write-off of property, plant and equipment	**143**	427
Allowance for bad and doubtful debts	**(346)**	(4,115)
Refund of costs incurred for a litigation	**2,524**	–
	2,905	(3,135)
	6,557	390

8. FINANCE COSTS

	2017	2016
	HK$'000	HK$'000
		(restated)
Interest on borrowings	**5,044**	5,055
Finance lease interest	**310**	431
	5,354	5,486

9. DIRECTORS, CHIEF EXECUTIVE AND EMPLOYEES EMOLUMENTS

Directors and chief executive emoluments

The emolument paid or payable to each of the directors and chief executives were as follows:

	For the year ended 31 March 2017			
	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive directors				
Mr. Tang Yiu Chi James	**204**	**1,989**	**32**	**2,225**
Mr. Kwok Ho (Note 1)	**131**	**1,129**	**27**	**1,287**
Dr. Zhiliang Ou (Note 2)	**-**	**-**	**-**	**-**
Mr. Fok Chi Tak (Note 2)	**-**	**-**	**-**	**-**
Sub-total	**335**	**3,118**	**59**	**3,512**
Independent non-executive directors				
Mr. Lee Chi Hwa Joshua (Note 3)	**10**	**-**	**-**	**10**
Mr. Mak Yiu Tong (Note 3)	**10**	**-**	**-**	**10**
Mr. Li Chi Keung Eliot (Note 4)	**5**	**-**	**-**	**5**
Mr. Kwong Ping Man (Note 5)	**209**	**-**	**-**	**209**
Mr. Chu Wai Wa Fangus (Note 5)	**209**	**-**	**-**	**209**
Ms. Pang Yuen Shan Christina (Note 6)	**80**	**-**	**-**	**80**
Mr. Yeung Ho Ming (Note 7)	**129**	**-**	**-**	**129**
Sub-total	**652**	**-**	**-**	**652**
Total	**987**	**3,118**	**59**	**4,164**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

9. DIRECTORS, CHIEF EXECUTIVE AND EMPLOYEES EMOLUMENTS (continued)

Directors and chief executive emoluments (continued)

	For the year ended 31 March 2016			
	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive directors				
Mr. Tang Yiu Chi James	63	672	11	746
Mr. Kwok Ho	37	624	18	679
Sub-total	100	1,296	29	1,425
Independent non-executive directors				
Mr. Kwong Ping Man	59	–	–	59
Mr. Chu Wai Wa Fangus	59	–	–	59
Ms. Pang Yuen Shan Christina	59	–	–	59
Sub-total	177	–	–	177
Total	277	1,296	29	1,602

9. DIRECTORS, CHIEF EXECUTIVE AND EMPLOYEES EMOLUMENTS (continued)

Directors and chief executive emoluments (continued)

Notes:

(1) Mr. Kwok Ho resigned as an executive director and chief executive of the Company with effect from 17 March 2017.

(2) Dr. Zhiliang Ou and Mr. Fok Chi Tak were appointed as executive directors of the Company with effect from 28 February 2017.

(3) Mr. Lee Chi Hwa Joshua and Mr. Mak Yiu Tong were appointed as independent non-executive directors of the Company with effect from 28 February 2017.

(4) Mr. Li Chi Keung Eliot was appointed as independent non-executive director of the Company with effect from 17 March 2017.

(5) Mr. Kwong Ping Man and Mr. Chu Wai Wa Fangus resigned as independent non-executive directors of the Company with effect from 17 March 2017.

(6) Ms. Pang Yuen Shan Christina resigned as an independent non-executive director of the Company with effect from 31 August 2016.

(7) Mr. Yeung Ho Ming was appointed as an independent non-executive director of the Company with effect from 31 August 2016 and resigned as an independent non-executive director of the Company with effect from 17 March 2017.

(8) The executive directors' emoluments were for their services in connection with the management of the affairs of the Company and the Group.

(9) The independent non-executive directors' emoluments were for their services as directors of the Company.

(10) There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the years ended 31 March 2017 and 2016.

9. DIRECTORS, CHIEF EXECUTIVE AND EMPLOYEES EMOLUMENTS (continued)

Employee emoluments

The five highest paid individuals included two (2016: two) directors for the year ended 31 March 2017, whose emoluments are included in the above. The emoluments of the remaining three (2016: three) individuals are as follows:

	2017 **HK$'000**	2016 HK$'000
Salaries, allowances and benefits	**2,287**	2,258
Retirement benefits scheme contributions	**54**	37
	2,341	2,295

Their emoluments were within the following bands:

	2017 **Number of employee**	2016 Number of employee
Nil to HK$1,000,000	**3**	3

10. TAXATION

	2017 HK$'000	2016 HK$'000
Current tax:		
Hong Kong	**4,067**	2,369
Macau	**103**	–
Under(over)provisions in prior years:		
Hong Kong	**391**	(778)
	4,561	1,591
Deferred tax credit (note 25)	**(3,948)**	(2,329)
Income tax expense (credit)	**613**	(738)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Macau Complementary Tax is calculated at the maximum progressive rate of 12% with maximum Macau Pataca ("MOP") 600,000 exemption allowance on the estimated assessable profit.

The taxation for the year can be reconciled to the profit (loss) before taxation per the consolidated statement of profit or loss as follows:

	2017 HK$'000	2016 HK$'000
Profit (loss) before taxation	**920**	(11,983)
Taxation at Hong Kong Profits Tax rate of 16.5%	**152**	(1,977)
Tax effect of expenses not deductible for tax purpose	**846**	2,125
Tax effect of income not taxable for tax purpose	**(249)**	(187)
Under(over)provision in prior years	**391**	(778)
Effect of different tax rate of subsidiary operating in other jurisdictions	**(37)**	12
Others	**(490)**	67
Income tax expense (credit)	**613**	(738)

11. PROFIT (LOSS) FOR THE YEAR

	2017 HK$'000	2016 HK$'000
Profit (loss) for the year is arrived at after charging:		
Auditor's remuneration	**1,055**	750
Depreciation of property, plant and equipment	**40,987**	37,897
Cost of inventories recognised as expenses	**35,373**	124,824
Allowance for bad and doubtful debts	**346**	4,115
Minimum lease payment in respect of		
– Land and buildings	**2,985**	2,945
– Machinery	**17,341**	19,534
Staff costs:		
Directors and chief executive emoluments (note 9)	**4,164**	1,602
Other staff costs		
– Salaries and other benefits	**57,757**	53,632
– Retirement benefits scheme contributions	**1,836**	1,679
	63,757	56,913

12. DIVIDENDS

	2017 HK$'000	2016 HK$'000
Interim dividends	**–**	62,000

No final dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2017, nor has any dividend been proposed since the end of the reporting period (2016: Nil). The interim dividends of HK$62,000,000 for the year ended 31 March 2016 represented those declared and paid by the Group's subsidiary, Chim Kee Company Limited to its shareholders prior to the completion of the Group Reorganisation. The rate of dividends and number of shares ranking for the above dividends are not presented as such information is not meaningful having regard to the purpose of this report.

13. EARNING (LOSS) PER SHARE

The calculation of the basic earning (loss) per share attributable to the owners of the Company is based on the following data:

	2017	2016
	HK$'000	HK$'000
Earning (loss)		
Earning (loss) for the purpose of basic earning (loss) per share (profit (loss) for the year attributable to the owners of the Company)	**300**	(11,240)

	2017	2016
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earning (loss) per share	**1,000,000**	884,737

The weighted average number of ordinary shares for the purposes of calculating basic loss per share for the year ended 31 March 2016 has been adjusted for the effect of the Group Reorganisation for the Company's shares listed on the Stock Exchange on 10 December 2015, assuming that the Group Reorganisation had been effective on 1 April 2015.

No diluted earning (loss) per share were presented as there were no potential ordinary shares in issue for both years ended 31 March 2017 and 2016.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building HK$'000	Leasehold improvements HK$'000	Machinery HK$'000	Furniture and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST						
At 1 April 2015	1,200	1,958	395,658	1,075	16,406	416,297
Additions	–	161	26,792	111	553	27,617
Disposals	–	–	–	–	(2,005)	(2,005)
Reclassification to inventories	–	–	(17,520)	–	–	(17,520)
At 31 March 2016	1,200	2,119	404,930	1,186	14,954	424,389
Additions	66,180	–	59,343	18	2,424	127,965
Disposals	–	–	–	–	(765)	(765)
Reclassification to inventories	–	–	(52,474)	–	–	(52,474)
At 31 March 2017	**67,380**	**2,119**	**411,799**	**1,204**	**16,613**	**499,115**
DEPRECIATION AND IMPAIRMENT						
At 1 April 2015	542	149	168,885	687	11,650	181,913
Charge for the year	21	508	35,411	119	1,838	37,897
Eliminated on disposals	–	–	–	–	(1,987)	(1,987)
Reclassification to inventories	–	–	(7,843)	–	–	(7,843)
At 31 March 2016	563	657	196,453	806	11,501	209,980
Charge for the year	573	267	38,071	126	1,950	40,987
Eliminated on disposals	–	–	–	–	(760)	(760)
Reclassification to inventories	–	–	(35,575)	–	–	(35,575)
At 31 March 2017	**1,136**	**924**	**198,949**	**932**	**12,691**	**214,632**
CARRYING AMOUNTS						
At 31 March 2017	**66,244**	**1,195**	**212,850**	**272**	**3,922**	**284,483**
At 31 March 2016	637	1,462	208,477	380	3,453	214,409

Property, plant and equipment are depreciated on its cost less their residual values on a straight-line basis at the following rates per annum:

Leasehold land and building	Over the lease terms
Leasehold improvements	10 years or over the lease terms, whichever is shorter
Machinery	10 years
Furniture and equipment	4 years
Motor vehicles	4 years

The carrying value of machinery and motor vehicles includes amount of HK$81,499,000 and HK$3,562,000 (2016: HK$94,723,000 and HK$3,359,000) in respect of assets held under finance lease arrangement, respectively. The liabilities arising from these finance lease arrangements were either classified as borrowings or obligations under finance leases as at end of the reporting period.

The Group has pledged leasehold land and buildings with a carrying amount of HK$616,000 (2016: HK$637,000) to secure bank borrowings of the Group.

15. FINANCE LEASE RECEIVABLES

	2017 HK$'000	2016 HK$'000
Current finance lease receivables	**3,112**	4,228
Non-current finance lease receivables	**4,241**	5,191
	7,353	9,419

Leasing arrangements

Certain of the Group's machinery are leased out under finance leases. All leases are denominated in HK$. The term of finance leases entered into ranges from 3.9 years to 5 years (2016: 3.5 years to 5 years).

Amounts receivable under finance leases

	Minimum lease payments		Present value of lease payments	
	2017 HK$'000	2016 HK$'000	**2017 HK$'000**	2016 HK$'000
Not later than one year	**3,468**	4,607	**3,112**	4,228
Later than one year and not later than five years	**4,518**	5,400	**4,241**	5,191
	7,986	10,007	**7,353**	9,419
Less: unearned finance income	**(633)**	(588)	**N/A**	N/A
Present value of minimum lease payments receivable	**7,353**	9,419	**7,353**	9,419

The effective interest rates of the finance leases as at 31 March 2017 range from 4.55% to 7.47% per annum (2016: 4.55% to 5.94% per annum).

There was no unguaranteed residual value in connection with finance lease arrangements or contingent lease arrangements of the Group that needed to be recorded as at the end of the reporting period.

16. INVENTORIES

	2017	2016
	HK$'000	HK$'000
Machinery	**1,203**	773
Spare parts	**815**	642
	2,018	1,415

17. TRADE RECEIVABLES

	2017	2016
	HK$'000	HK$'000
Trade receivables	**90,600**	71,904
Less: Allowance for bad and doubtful debts	**(16,339)**	(16,214)
	74,261	55,690

The Group allows an average credit period of 0 – 90 days to its trade customers. The credit period provided to customers can be longer based on a number of factors including the customer's credit profile and relationship with the customers.

The following is an aged analysis of trade receivables, net of allowance for bad and doubtful debts, presented based on invoice dates at the end of the reporting period:

	2017	2016
	HK$'000	HK$'000
0 – 30 days	**40,354**	14,660
31 – 90 days	**21,286**	19,517
91 – 180 days	**5,728**	11,216
181 – 365 days	**3,541**	5,596
Over 365 days	**3,352**	4,701
	74,261	55,690

17. TRADE RECEIVABLES (continued)

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly. The Group has policy for allowance of bad and doubtful debts which is based on an evaluation of the collectability and ageing analysis of accounts on every individual trade debtor basis and on management's judgment including creditworthiness and the past collection history of each customer.

Included in the Group's trade receivable balances were debtors with aggregate carrying amount of HK$33,907,000 (2016: HK$41,028,000) which were past due for which the Group had not provided for allowance for bad and doubtful debts. Based on past experience, the directors of the Company are of the opinion that no further provision is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group did not hold any collateral over these balances. The average age of these receivables was 75 days (2016: 105 days).

Ageing of trade receivables which are past due but not impaired

	2017 **HK$'000**	2016 HK$'000
Overdue:		
1 – 90 days	**21,877**	24,587
91 – 180 days	**7,262**	8,051
181 – 365 days	**1,438**	3,954
Over 365 days	**3,330**	4,436
	33,907	41,028

17. TRADE RECEIVABLES (continued)

Movement in the allowance for bad and doubtful debts

	2017	2016
	HK$'000	HK$'000
At beginning of the year	**16,214**	12,099
Impairment losses recognised	**346**	4,115
Amount written off as uncollectible	**(221)**	–
At end of the year	**16,339**	16,214

At 31 March 2017, the Group had determined approximately HK$16,339,000 (2016: HK$16,214,000) of trade receivables as individually impaired respectively. Based on this assessment, approximately HK$346,000 (2016: HK$4,115,000) of impairment loss was provided. The impaired trade receivables are due from customers that were in default and in dispute with the Group.

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2017	2016
	HK$'000	HK$'000
Other receivables	**161**	902
Deposits	**2,698**	3,686
Prepayments	**2,304**	2,046
	5,163	6,634

19. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

Pledged bank deposits were pledged to banks to secure bank borrowings granted to the Group as set out in note 23 and interest bearing at a prevailing market rate of 0.54% per annum (2016: 0.01% to 0.80% per annum).

Bank balances carry interest at prevailing market rates which range from 0.0009% to 0.2206% (2016: 0.0007% to 0.0091%) per annum.

20. TRADE PAYABLES

Trade payables principally comprise amounts outstanding for trade purchases. The normal credit period taken for trade purchases is 0 – 45 days.

An aged analysis of the Group's trade payables at the end of the reporting period presented based on the invoice dates is as follows:

	2017	2016
	HK$'000	HK$'000
0 – 30 days	**3,771**	2,958
31 – 60 days	**2,383**	2,013
61 – 180 days	**1,274**	822
181 – 365 days	**177**	–
Over 365 days	**445**	445
	8,050	6,238

21. ACCRUALS, DEPOSITS RECEIVED AND OTHER PAYABLES

	2017	2016
	HK$'000	HK$'000
Accruals	**5,965**	5,373
Deposits received	**4,842**	6,311
Other payables	**6,179**	579
	16,986	12,263

22. AMOUNT DUE FROM A RELATED COMPANY/AMOUNT DUE TO A DIRECTOR

Amount due from a related company

The amount is interest-free, unsecured and is repayable on demand.

Details of amount due from a related company, which is non-trade nature, are as follows:

Name	As at 31 March		Maximum amount outstanding during the year ended 31 March	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
Link Bright Consultants Limited ("Link Bright") (Note)	**2**	3	**7**	3

Note: Mr. Tang Yiu Chi James, being the sole director and sole shareholder of Link Bright, is also a director of the Company.

Amount due to a director

The amount is non-trade nature, interest-free, unsecured and is repayable on demand.

23. BORROWINGS

Bank borrowings

	2017 HK$'000	2016 HK$'000
Secured and guaranteed interest-bearing bank loans:		
Repayable on demand or within one year	**37,074**	17,784
Repayable after one year which contain a repayable on demand clause	**54,010**	28,642
Total bank borrowings	**91,084**	46,426
Analysis based on scheduled repayment terms set out in the loan agreements, into:		
On demand or within one year	**37,074**	17,784
More than one year, but not exceeding two years	**11,509**	8,716
More than two years, but not exceeding five years	**27,910**	11,789
More than five years	**14,591**	8,137
Total bank borrowings	**91,084**	46,426

Bank borrowings bear interest at floating interest rates. The effective interest rates of borrowings as at the end of each of the reporting period ranged from 3% to 5.59% per annum (2016: 3% to 5% per annum).

The unutilised banking facilities as at 31 March 2017 amounted to approximately HK$39,773,000 (2016: HK$59,832,000).

The bank loans and other banking facilities are secured and guaranteed by:

(a) Pledge of leasehold land and building (Note 14) held by the Group as at 31 March 2017 and 2016;

(b) Pledge of bank deposits amounting to HK$4,603,000 and HK$4,578,000 (Note 19) held by the Group as at 31 March 2017 and 2016, respectively; and

(c) At 31 March 2017 and 2016, the Company has issued guarantees to banks to secure banking facilities granted to certain subsidiaries.

Included in the Group's borrowings are borrowings, with carrying amount of HK$84,205,000 (2016: HK$42,658,000) which contain a repayment on demand clause.

23. BORROWINGS (continued)

Other borrowings

It is the Group policy to lease certain of its motor vehicles and machinery under financing arrangement. The Group entered into financing arrangement with several financial institutions, pursuant to which the Group transferred the legal title of certain machinery of the Group to these financial institutions at net consideration of HK$46,551,000 (2016: HK$10,523,000). The Group is obligated to pay monthly instalments in accordance with respective agreements. Upon the maturity of the lease, the Group is entitled to purchase back the machinery at cash considerations in accordance with respective agreements which are expected lower than the market values of respective machinery. Despite the arrangement involves a legal form of a lease, the Group accounted for the arrangement as a collateralised borrowing at amortised cost using effective interest method, in accordance with the substance of the arrangement.

The lease terms range from 3 to 5 years (2016: 2 to 5 years) under sale and leaseback arrangement. Interest rates underlying all arrangements are either fixed ranging from 7.50% to 11.97% per annum (2016: 11.44% to 11.97% per annum) or variable ranging from 6.69% to 9.65% per annum (2016: 7.81% to 9.65% per annum) at respective contract dates. None of the leases include contingent rentals.

	Present value of minimum lease payments	
	2017	2016
	HK$'000	HK$'000
		(restated)
Principal amount:		
Within one year	**27,660**	34,396
Within a period of more than one year but not more than two years	**15,731**	5,653
Within a period of more than two years but not more than five years	**17,756**	3,693
	61,147	43,742
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(27,660)**	(34,396)
Amount due for settlement after 12 months	**33,487**	9,346

Other borrowings are effectively secured by the underlying assets of HK$74,391,000 (2016: HK$88,893,000) as the rights to the leased assets would be reverted to the lessor in the event of default by repayment by the Group.

24. OBLIGATIONS UNDER FINANCE LEASES

	2017 HK$'000	2016 HK$'000 (restated)
Analysed for reporting purposes as:		
Current liabilities	**3,877**	3,769
Non-current liabilities	**3,015**	3,485
	6,892	7,254

It is the Group's policy to lease certain of its motor vehicles and machinery under finance leases. The lease terms range from 1 to 5 years (2016: 2 to 5 years). Interest rates underlying all obligations under finance leases are fixed ranging from 2.17% to 11.27% per annum (2016: 2.17% to 10.75% per annum) at respective contract dates. None of the leases include contingent rentals.

	Minimum lease payments		Present value of minimum lease payments	
	2017 **HK$'000**	2016 HK$'000 (restated)	**2017** **HK$'000**	2016 HK$'000 (restated)
Obligations under finance leases payable:				
Within one year	**4,225**	4,027	**3,877**	3,769
Within a period of more than one year but not more than two years	**1,648**	2,025	**1,571**	1,877
Within a period of more than two years but not more than five years	**1,483**	1,650	**1,444**	1,608
	7,356	7,702	**6,892**	7,254
Less: future finance charges	**(464)**	(448)	**N/A**	N/A
Present value of lease obligations	**6,892**	7,254	**6,892**	7,254
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(3,877)**	(3,769)
Amount due for settlement after 12 months			**3,015**	3,485

24. OBLIGATIONS UNDER FINANCE LEASES (continued)

Finance lease payables are effectively secured by the underlying assets as the rights to the leased assets would be reverted to the lessor in the event of default by repayment by the Group.

25. DEFERRED TAX

The following are the major deferred tax (liabilities) assets recognised by the Group and the movement thereon, during the current and prior years.

	Accelerated tax deprecation HK$'000	**Tax losses** HK$'000	**Total** HK$'000
At 1 April 2016	(30,811)	117	(30,694)
Credit to profit or loss	419	1,911	2,329
At 31 March 2016	(30,392)	2,028	(28,365)
(Charge) credit to profit or loss	(389)	4,336	3,948
At 31 March 2017	**(30,781)**	**6,364**	**(24,417)**

At the end of the reporting period, the Group has unused tax losses of HK$38,570,000 (2016: HK$12,291,000) available for offset against future profits. A deferred tax assets has been recognised in respect of such losses. The management of the Group assessed the future cash flows of the subsidiaries of the Group with reference to the machinery hire agreements and in the opinion of the directors of the Company, taxable profit will be probably available against which the unused tax losses can be utilised in the foreseeable future.

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2017 **HK$'000**	2016 HK$'000
Deferred tax assets	**6,364**	2,032
Deferred tax liabilities	**(30,781)**	(30,397)
	(24,417)	(28,365)

26. SHARE CAPITAL

	Number of shares	Amount HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
At date of incorporation	38,000,000	380
Increase in authorised share capital on 23 October 2015 (Note (a))	1,522,000,000	15,220
At 31 March 2016 and 2017	**1,560,000,000**	**15,600**
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At the date of incorporation	1	–
Issue of shares upon the Group Reorganisation (Note (b))	37,999,999	380
Capitalisation Issue of shares (Note (c))	795,256,000	7,953
Issue of shares under public offer and placing (Note (d))	166,744,000	1,667
At 31 March 2016 and 2017	**1,000,000,000**	**10,000**

Notes:

(a) On 23 October 2015, the shareholders resolved to increase the authorised share capital of the Company from HK$380,000 to HK$15,600,000 by the creation of an additional 1,522,000,000 shares of the Company.

(b) Pursuant to written resolutions passed on 23 October 2015, the directors of the Company were authorised to capitalise a sum of approximately HK$380,000 from the amount standing to the credit of the share premium account of the Company and applied such amount to pay up in full at par of 37,999,999 ordinary shares of the Company to be allotted and issued to Tang J F T Company Limited.

(c) Pursuant to written resolutions passed on 23 October 2015, the directors of the Company were authorised to capitalise a sum of approximately HK$7,953,000 from the amount standing to the credit of the share premium account of the Company and applied such amount to pay up in full at par of 795,256,000 ordinary shares of the Company ("Capitalisation Issue").

(d) Under the public offer and placing took place during the year ended 31 March 2016, 166,744,000 new ordinary shares of HK$0.01 each were issued at a price of HK$0.48 per share for a total cash consideration (before share issuance expenses) of approximately HK$80,037,000.

27. SHARE-BASED PAYMENT TRANSACTIONS

Shareholders of the Company have approved and adopted a share option scheme (the "Scheme") on 23 October 2015.

A summary of the Scheme is set out as below:

The Scheme became effective for a period of 10 years commencing on 23 October 2015. Under the Scheme, the directors of the Company shall, in its absolute discretion select, make an offer to any eligible participants to subscribe for shares of the Company at a subscription price being not less than the highest of (i) the closing price of shares of the Company as stated in the Stock Exchange's daily quotation sheet on the offer date; or (ii) the average closing prices of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of the share on the offer date. The offer of a grant of options may be accepted within seven days from the date of the offer grant.

The maximum number of shares to be issued upon the exercise of all outstanding options granted at any time under the Scheme together with options which may be granted under any other share option schemes for the time being of the Company must not in aggregate exceed 10% of the issued share capital of the Company at the date of the approval of the Scheme.

No options have been granted since the adoption of the share option scheme.

28. OPERATING LEASE ARRANGEMENT

The Group as lessor

The Group sub-leased vacant space of its leased warehouse and leased and sub-leased its owned and leased machinery under operating lease agreements. Income earned from the leasing during the year is HK$125,377,000 (2016: HK$122,927,000). Leases are negotiated on a monthly basis.

The minimum rent receivables under non-cancellable operating leases are as follows:

	2017 **HK$'000**	2016 HK$'000
Not later than one year	**3,023**	5,121

28. OPERATING LEASE ARRANGEMENT (continued)

The Group as lessee

At the end of each reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2017 **HK$'000**	2016 HK$'000
Within one year	**2,121**	3,085
In the second to fifth year inclusive	**–**	36
	2,121	3,121

Operating lease payments represent rentals payable by the Group for warehouse property and certain of its machinery. Leases are negotiated for a period of one to two years (2016: one to two years) and rentals are fixed at the time of entering the respective leases.

29. CAPITAL COMMITMENTS

	2017 **HK$'000**	2016 HK$'000
Capital expenditure in respect of addition of property, plant and equipment		
– contracted for but not provided in the consolidated financial statements	**22,282**	10,921

30. RETIREMENT BENEFITS SCHEMES

The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions. Except for voluntary contribution, no forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. The cap of contribution amount is HK$1,500 per employee per month.

The retirement benefits schemes contributions arising from the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represent contributions paid or payable to the funds by the Group at rates specified in the rules of the schemes.

The contributions paid and payable to these schemes by the Group are disclosed in notes 9 and 11.

31. 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 shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debts, which include the borrowings and equity attributable to owners of the Company, comprising issued share capital and reserves.

The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged throughout the year.

32. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2017 HK$'000	2016 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**153,004**	156,574
Finance lease receivables	**7,353**	9,419
Financial liabilities		
Amortised cost	**177,577**	109,234
Obligations under finance leases	**6,892**	7,254

Financial risk management objectives and policies

The Group's major financial instruments include finance lease receivables, trade receivables, other receivables and deposits, amount due from a related company, pledged bank deposits, bank balances and cash, trade payables, accruals, deposits received and other payables, borrowings and obligations under finance leases. Details of these financial instruments are disclosed in the 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.

Currency risk

Certain transactions of the Group are denominated in currencies which are different from the functional currencies of the group entities and therefore the Group is exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure if necessary.

32. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

***Currency risk** (continued)*

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of reporting period are as follows:

	Assets		Liabilities	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
Japanese Yen ("JPY")	**4,404**	8,635	**(17,345)**	(3,832)
Euro Dollars ("EURO")	**1,759**	3,913	**(83)**	(5,041)
Singapore Dollars ("SGD")	**-**	–	**(6,777)**	–
United States Dollars ("USD")	**1,073**	954	**(747)**	(1,710)

Sensitivity analysis

The following table details the sensitivity of the Group to 8%, 9% and 8% increase and decrease in HK$ against the JPY, EURO and SGD (2016: 8%, 9% and N/A) respectively. 8%, 9% and 8% are the sensitivity rates used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for 8%, 9% and 8% change in foreign currency rates. A positive/negative number below indicates an increase/decrease in post-tax profit (2016: decrease/increase in post-tax loss) where the relevant currencies strengthen 8%, 9% and 8% against HK$. For 8%, 9% and 8% weakening of the relevant currencies against HK$, there would be an equal and opposite impact on the post-tax profit (2016: post-tax loss).

	2017	2016
	HK$'000	HK$'000
JPY against HK$	**(864)**	321
EURO against HK$	**126**	(85)
SGD against HK$	**(453)**	–

32. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Currency risk *(continued)*

Sensitivity analysis (continued)

For the monetary assets and liabilities denominated in USD, since HK$ is currently pegged to USD, the management considers that the exchange rate fluctuation is not significant. Accordingly, no foreign currency sensitivity analysis is disclosed in the consolidated financial statements in respect of the USD.

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the currency risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk

As at 31 March 2017 and 2016, the Group is exposed to cash flow interest rate risk in relation to variable-rate borrowings, obligations under finance leases, pledged bank deposits and bank balances due to the fluctuation of the prevailing market interest rate. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the banks' respective HK$ Best Lending Rate from the Group's borrowings denominated in HK$.

The Group has not entered into any interest rate hedging contracts or any other interest rate related derivative financial instruments. However, management monitors the Group's related interest rate exposure closely and will consider hedging significant interest rate exposure when the need arises.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to the variable rate bank balances, borrowings and obligations under finance leases at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. 100 basis points (2016: 100 basis points) increase or decrease is used on variable rate borrowings and obligations under finance lease after considering the impact of volatile financial market conditions. The directors of the Company used 50 basis points (2016: 100 basis points) for assessing interest rate risk on bank balances because they considered that the fluctuations on interest rate on bank balances would be less significant.

32. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Interest rate risk *(continued)*

Sensitivity analysis (continued)

If interest rates had been 100 basis points (2016: 100 basis points) higher/lower for variable-rate borrowings and obligations under finance leases and 50 basis points (2016: 100 basis points) higher/lower for balances and all other variables were held constant, the Group's pre-tax profit (2016: pre-tax loss) for the year ended 31 March 2017 would decrease/increase by HK$953,000 (2016: HK$147,000).

The basis points change represents management's assessment of the reasonably possible change in interest rates.

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the interest rate risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

Credit risk

As at 31 March 2017, other than those finance assets whose carrying amounts best represent the maximum exposure to credit risk, the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from the amount of contingent liabilities in relation to financial guarantees provided by the Group is disclosed in note 36.

32. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk *(continued)*

The Group's credit risk is primarily attributable to its trade receivables. The Group is exposed to concentration of credit risk as a substantial portion of its trade receivables is generated from a limited number of customers. As at 31 March 2017, the largest customer and the top five customers of the Group accounted for 37% (2016: 31%) and 64% (2016: 54%) of its trade receivables respectively. In order to minimise the credit risk, the management of the Group had delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. For finance lease receivables, the Group has closely monitored the recoverability and the collaterals received from these customers. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on pledged bank deposits and bank balances is limited because the counterparties are banks with good reputation.

At 31 March 2017, the Group provided corporate guarantees amounting to HK$2,262,000 (2016: HK$4,192,000) to a bank in respect of obligations under finance leases of certain third party customers.

Under the financial guarantees, the Group would be liable to pay the bank if the bank is unable to recover the amounts under these finance leases. At 31 March 2017, no provision for the Group's obligation under the guarantee contracts has been made as the directors of the Company considered that it was not probable that the repayment of the finance leases obligation would be in default.

32. 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 the management to finance the operations of the Group and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

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. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates at the end of the year.

	Weighted average effective interest rate %	Within one year or on demand HK$'000	More than one year but less than two years HK$'000	More than two years but less than five years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
At 31 March 2017						
Trade payables	N/A	8,050	-	-	8,050	8,050
Accruals, deposits received and other payables	N/A	16,986	-	-	16,986	16,986
Amount due to a director	N/A	310	-	-	310	310
Borrowings	5.53	120,962	16,361	17,368	154,691	152,231
Obligations under finance leases	8.10	4,225	1,648	1,483	7,356	6,892
		150,533	18,009	18,851	187,393	184,469
Financial guarantees issued						
Maximum amount guaranteed	N/A	13,462	-	-	13,462	-

32. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk *(continued)*

	Weighted average effective interest rate %	Within one year or on demand HK$'000	More than one year but less than two years HK$'000	More than two years but less than five years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
At 31 March 2016						
Trade payables	N/A	6,238	–	–	6,238	6,238
Accruals, deposits received and other payables	N/A	12,263	–	–	12,263	12,263
Amount due to a director	N/A	565	–	–	565	565
Borrowings	6.56	82,636	5,891	3,769	92,296	90,168
Obligations under finance leases	8.16	4,027	2,025	1,650	7,702	7,254
		105,729	7,916	5,419	119,064	116,488
Financial guarantees issued						
Maximum amount guaranteed	N/A	15,392	–	–	15,392	–

32. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

***Liquidity risk** (continued)*

Borrowings with a repayment on demand clause are included in the "on demand" time band in the above maturity analysis. As at 31 March 2017 and 2016, the aggregate undiscounted principal amounts of these loans amounted to approximately HK$84,205,000 and HK$42,658,000 respectively. Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the lenders will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements and the principal and interest cash outflows according to the scheduled repayment dates are set out as follows:

	Weighted average effective interest rate	Within one year or on demand	More than one year but less than two years	More than two years but less than five years	More than five years	Total contractual undiscounted cash flow	Carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Borrowings							
At 31 March 2017	**4.11**	**27,496**	**16,718**	**33,181**	**15,306**	**92,701**	**84,205**
At 31 March 2016	2.66	15,634	9,821	12,786	8,576	46,817	42,658

Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values.

33. MAJOR NON-CASH TRANSACTIONS

(a) During the year ended 31 March 2017, the Group entered into finance lease arrangements in respect of purchase of property, plant and equipment with a capital value at the inception of the leases of approximately HK$3,970,000 (2016: HK$553,000).

(b) During the year ended 31 March 2016, dividend payable amounting to HK$62,000,000 was settled as to HK$57,980,000 and HK$4,020,000 by offsetting with amount due from the then shareholder of the holding company and amount due from a director respectively. The maximum amount outstanding during the year ended 31 March 2016 of amount due from a director is HK$7,243,000.

34. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, during the year the Group had the following transactions with related parties.

	2017 **HK$'000**	2016 HK$'000
Profit Principle Limited ("Profit Principle") (Note)		
Property rental expense	**48**	48

Note: Mr. Tang Yiu Chi James, being a director and a shareholder of Profit Principle, is also a director of the Company.

Compensation of key management personnel

The remuneration of directors and other members of key management during the years ended 31 March 2017 and 2016 were as follows:

	2017 **HK$'000**	2016 HK$'000
Salaries, allowances and benefits	**5,861**	2,956
Retirement benefits scheme contributions	**130**	96
	5,991	3,052

35. LITIGATION

In 2012, a customer commenced litigation against Chim Kee Machinery Co., Limited ("CKM"), a non-wholly owned subsidiary of the Group for alleged breach of rental contract and the customer claimed for an overall damages of more than HK$100 million (the "Legal Proceeding"). On 24 March 2016, the Court of First Instance held in favour of CKM and the customer was ordered to compensate CKM for unpaid hire. On 26 April 2016, the customer lodged an appeal to the Court of Appeal (the "Appeal"). On 14 and 15 June 2017, the hearing of the Appeal was held.

Up to the date of the report, decisions of the Appeal have not been concluded. The Group has sought legal advice on the merits of the claim. After considering the evidence and the background facts in relation to the Legal Proceeding and the Appeal, in the opinion of the directors of the Company, the customer's allegations and assertions are not cogent and convincing and the Group will likely to succeed in the Legal Proceeding and the Appeal. Accordingly, no provision in respect of the Legal Proceeding was made by the Group.

36. CONTINGENT LIABILITIES

As at 31 March 2017, the Group provided corporate guarantees and performance guarantee amounting to approximately HK$2,262,000 (2016: HK$4,192,000) and HK$11,200,000 (2016: HK$11,200,000) to banks in respect of obligations under finance leases and the Group's obligations under contracts with certain third party customers. Under the guarantees, the Group would be liable to make payments to the banks if the bank is unable to recover the amounts under these finance leases from these customers or the Group failed to perform the relevant obligations to these customers. As at 31 March 2017 and 2016, no provision for the Group's obligations under the guarantee contracts has been made as the directors of the Company considered that it was not probable that the repayment of the finance lease obligations would be in default and it was not probable that a claim will be made against the Group.

37. EVENT AFTER THE REPORTING PERIOD

On 26 May 2017, private placements to independent private investors of 200,000,000 new shares of HK$0.01 each in the Company were completed, at placing price of HK$0.62 per share.

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries of the Company at 31 March 2017 and 2016 are as follows:

Name of subsidiary	Place of incorporation/ registration	Issued and fully paid share capital	Proportion of nominal value of issued share capital held by the Company 2017	2016	Principal activities and place of operations
Crawler Krane Business Limited[1]	British Virgin Islands	USD100	**100%**	100%	Investment holding, Hong Kong
Chim Kee Company Limited[1]	Hong Kong	HK$1,000,000	**99.9%**	99.9%	Construction machinery rental and trading, Hong Kong
CKM[1]	Hong Kong	HK$1	**99.9%**	99.9%	Construction machinery rental and trading, Hong Kong
Chim Kee Transportation Company Limited[1]	Hong Kong	HK$1,200,000	**99.9%**	99.9%	Provision of machinery transportation services, Hong Kong
K B Machinery Co., Limited[1]	Hong Kong	HK$1	**100%**	100%	Construction machinery trading, Hong Kong
Chim Kee Equipment Limited[1]	Hong Kong	HK$1	**100%**	100%	Construction machinery rental, Hong Kong
Hightion, Sociedade Unipessoal Limitada[1]	Macau	MOP25,000	**100%**	100%	Construction machinery rental, Macau
K B Crane Limited[1]	Hong Kong	HK$1,000	**100%**	100%	Construction machinery trading, Hong Kong

1 Limited liability company

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2017 HK$'000	2016 HK$'000
Non-current assets		
Investments in subsidiaries	**10,640**	1
Amounts due from subsidiaries	**47,561**	–
	58,201	1
Current assets		
Prepayments	**247**	264
Amounts due from subsidiaries	**12,915**	28,120
Bank balances and cash	**447**	40,237
	13,609	68,621
Current liabilities		
Accruals	**350**	382
Amount due to a subsidiary	**7,632**	–
Amount due to a director (Note)	**10,592**	10,592
	18,574	10,974
Net current (liabilities) assets	**(4,965)**	57,647
Total assets less current liabilities	**53,236**	57,648
Equity		
Share capital	**10,000**	10,000
Reserves	**43,236**	47,648
Total equity	**53,236**	57,648

Note:

The amount due from the Company to a director is offset with the amount due to a subsidiary by the same director. The net amount is presented on the consolidated statement of financial position as those amounts are subject to an enforceable offsetting arrangement that the Group currently has a legally enforceable right to set off the amounts and the intention to settle those amounts on a net basis.

39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movement in the Company's reserves

	Share premium HK$'000	Capital reserve HK$'000	Accumulated losses HK$'000	2016 Total HK$'000
At 1 April 2015	–	–	(8,554)	(8,554)
Issue of shares upon the Group Reorganisation (Note 26(b))	(380)	–	–	(380)
Capitalisation Issue of shares (Note 26(c))	(7,953)	–	–	(7,953)
Issue of shares under the public offer and placing (Note 26(d))	78,370	–	–	78,370
Share issuance expenses	(7,683)	–	–	(7,683)
Deemed capital contribution	–	6,291	–	6,291
Loss for the year	–	–	(12,443)	(12,443)
At 31 March 2016	62,354	6,291	(20,997)	47,648
Loss for the year	–	–	(4,412)	(4,412)
At 31 March 2017	**62,354**	**6,291**	**(25,409)**	**43,236**

40. COMPARATIVE FIGURES

The comparative figures of certain items stated in the consolidated statement of profit or loss and other comprehensive income, and the consolidated statement of financial position have been represented to conform to the current year's presentation.

Financial Summary

	For the year ended 31 March				
	2013 HK$'000	2014 HK$'000	2015 HK$'000	2016 HK$'000	**2017 HK$'000**
RESULTS					
Revenue	242,948	316,810	368,942	277,275	**194,364**
Profit (loss) before taxation	39,112	46,926	31,336	(11,983)	**920**
Tax (charge) credit	(5,992)	(7,661)	(6,972)	738	**(613)**
Profit (loss) for the year	33,120	39,265	24,364	(11,245)	**307**
Attributable to:					
Owners of the Company	33,086	39,232	24,324	(11,240)	**300**
Non-controlling interests	34	33	40	(5)	**7**
	33,120	39,265	24,364	(11,245)	**307**

	As at 31 March				
	2013 HK$'000	2014 HK$'000	2015 HK$'000	2016 HK$'000	**2017 HK$'000**
ASSETS AND LIABILITIES					
Total assets	396,903	425,755	464,130	390,785	**462,037**
Total liabilities	(222,091)	(211,678)	(225,689)	(146,944)	**(217,889)**
	174,812	214,077	238,441	243,841	**244,148**
Equity attributable to owners of the Company	174,637	213,869	238,193	243,598	**243,898**
Non-controlling interests	175	208	248	243	**250**
	174,812	214,077	238,441	243,841	**244,148**