LEAP Holdings Group Limited
前進控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1499

ANNUAL REPORT 2017

CONTENTS

Corporate Information	2
Chairman's Statement	3
Management Discussion and Analysis	4
Biographical Details of Directors and Senior Management	15
Corporate Governance Report	19
Environmental, Social and Governance Report	33
Directors' Report	37
Independent Auditors' Report	47
Consolidated Statement of Profit or Loss and Other Comprehensive Income	51
Consolidated Statement of Financial Position	52
Consolidated Statement of Changes in Equity	54
Consolidated Statement of Cash Flows	55
Notes to the Consolidated Financial Statements	56
Five Years Financial Summary	112

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
Mr. Ip Ying Chau *(Chairman)*
Mr. Chan Wing Chung
Ms. Tung Ah Pui Athena
Mr. Chan Chiang Kan
Mr. Mui Wai Sum
Mr. Yip To Chun
(appointed on 12 July 2017)

Independent Non-executive Directors
Mr. Cheung Kwok Yan Wilfred
Mr. Feng Zhidong
Professor Ho Ho Ming

AUDIT COMMITTEE

Mr. Cheung Kwok Yan Wilfred *(Chairman)*
Mr. Feng Zhidong
Professor Ho Ho Ming

NOMINATION COMMITTEE

Mr. Ip Ying Chau *(Chairman)*
Professor Ho Ho Ming
Mr. Feng Zhidong

REMUNERATION COMMITTEE

Mr. Feng Zhidong *(Chairman)*
Mr. Ip Ying Chau
Professor Ho Ho Ming

COMPANY SECRETARY

Ms. So Hau Kit

AUTHORISED REPRESENTATIVES

Mr. Ip Ying Chau
Ms. Tung Ah Pui Athena

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 2701-02, 27th Floor, Win Plaza,
9 Sheung Hei Street, San Po Kong,
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

COMPLIANCE ADVISER

International Limited
Suites 1903-1904, 19th Floor, Tower 6, the Gateway,
Harbour City, 9 Canton Road, Tsim Sha Tsui,
Kowloon, Hong Kong

LEGAL ADVISER AS TO HONG KONG

Loong and Yeung
Solicitors of Hong Kong
Room 1603, 16/F,
China Building,
29 Queen's Road Central, Hong Kong

PRINCIPAL BANKS

The Hong Kong and Shanghai Banking Corporation Limited
DBS Bank (Hong Kong) Limited

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31st Floor, Gloucester Tower, The Landmark,
11 Pedder Street, Central, Hong Kong

COMPANY'S WEBSITE

www.leapholdings.hk

STOCK CODE

1499

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of LEAP Holdings Group Limited (the "**Company**", together with subsidiaries of the Company, the "**Group**"), it is my pleasure to present to the shareholders the annual report of the Group for the year ended 31 March 2017 (the "**Year**").

Over the Year, our project works were on the downward trend, especially for our foundation works and ancillary services, with a decrease in revenue by approximately HK$67.6 million for the Year as compared to the previous year in this segment. Revenue from the construction wastes handling services was recorded at approximately HK$62.2 million the Year, representing a decrease of approximately HK$5.0 million as compared to the previous year.

The environment of the construction industry in Hong Kong is still uncertain. According to the 2017-18 Budget Speech, the Hong Kong government budgeted to invest approximately HK$86.8 billion in capital works expenditure. With many major public projects at their construction peaks, the government expected that the estimated annual capital works expenditure for the next few years will continue to stay at a high level. However, during the Year, the capital work projects were in slow progress due to filibustering in the Legislative Council causing delay in funding approval for public works. Despite the challenges environment in the construction industry, we managed to be awarded 7 new contracts with a total contract value of approximately HK$324.7 million.

During the Year, the Group commenced a new business segment of investments in securities in order to diversify the Group's business. The Group has invested in a portfolio of listed securities in Hong Kong. The Group will continue to seek investment opportunities in listed securities and other financial products in Hong Kong and other recognised financial markets in the overseas with a view to generate additional income and enhance the capital use of the Group.

Further to the commencement of new business segment of investments in securities, the Group obtained the money lenders licence in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and commenced its money lending business since then. The Directors consider it will be beneficial to the Group to explore new opportunities in the money lending business to widen its revenue base and minimise the risks of the Group overall, in order to enhance the capital use of the Group as well as the interests of the Company and its shareholders overall.

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

Ip Ying Chau
Chairman and Chief Executive Officer

BUSINESS REVIEW

The Group's major sources of revenue were from foundation works and ancillary services and construction wastes handling services in Hong Kong. During the Year, the Group has commenced the investments in securities business and the money lending business in order to broaden the Group's investment strategy.

During the Year, except for the commencement of investments in securities business and money lending business, the Group had no material changes in its business nature and principal activities.

Foundation Works and Ancillary Services

The foundation works of the Group mainly included site formation works, excavation and lateral support ("**ELS**") works, piling construction, pile caps or footing construction and reinforced concrete structure works and ancillary services mainly included hoarding and demolition works and lease of machinery.

During the Year, revenue from this segment amounted to approximately HK$264.5 million, approximately HK$67.6 million less than that for the year ended 31 March 2016. Such decrease was mainly attributable to keen competition in the market resulting in the contract sum of the newly awarded projects during the Year was less than that of the comparable completed projects including major projects in Ma On Shan, Kau To and Kwun Tong, in which majority of revenue was recognised in the corresponding period in 2016.

Gross profit of this segment during the Year was approximately HK$7.9 million, which decreased approximately 87.1% as compared with approximately HK$61.4 million for the year ended 31 March 2016. Such decrease was mainly due to a decrease in revenue from foundation projects and the Group had to reduce the profit margin of new foundation projects in order to compete in the increasingly competitive market due to an increase in the number of competitors and a decrease in the number of capital works projects as discussed in the section headed "Prospects" below. Gross profit margin of this segment for the Year was approximately 3%, representing a decrease of 15.5 percentage points from approximately that of 18.5% for the year ended 31 March 2016. The decrease was mainly due to the completion of certain design and build projects, and no new awarded design and build projects during the Year. Such projects have higher gross profit margins.

As at the date of this report, the Group was awarded a site formation design and build project with contract sum of approximately HK$90 million. Going forward, the Group will focus on bidding for projects with higher gross profit margins including design and build projects.

Construction Wastes Handling Services

The Group's construction wastes handling services mainly included the management and operation of public fill reception facilities such as public fill banks and temporary construction waste sorting facilities, for construction and demolition materials.

During the Year, revenue from this segment amounted to approximately HK$62.2 million, which decreased approximately HK$5.0 million as compared with approximately HK$67.2 million for the year ended 31 March 2016.

Gross profit of this segment for the Year was approximately HK$6.1 million, which decreased by approximately 32.2% as compared with approximately HK$9.0 million for the year ended 31 March 2016. Such decrease was mainly due to a decrease in revenue and an increase in certain cost of sales items including depreciation and transportation fees. The decrease in revenue is due to the completion of a construction wastes handling project in December 2016. As at the date of this report, we have been awarded a new construction wastes handling project in the Tuen Mun district which has commenced operations in May 2017. Gross profit margin of this segment for the Year was approximately 9.7%, representing a decrease of 3.7 percentage points from approximately 13.4% for the year ended 31 March 2016. Such decrease is mainly due to the increase in cost of sales items as mentioned above.

New Projects Awarded

During the Year, the Group had been awarded 7 new contracts with total contract value of approximately HK$324.7 million. The details of the new projects are as follows:

Type of Projects	Site Location	Type of Works
Foundation and Ancillary Works	Southern district	Foundation, pile cap and basement construction works
Foundation and Ancillary Works	Yau Tong district	Earthwork & steel platform
Foundation and Ancillary Works	Cheung Sha district	Excavation and structure works
Foundation and Ancillary Works	Tuen Mun district	Site formation, ELS and foundation works
Foundation and Ancillary Works	Kwai Chung district	Site formation & ELS works
Foundation and Ancillary Works	Chai Wan district	Bored piles construction works
Construction Wastes Handling	Tuen Mun district	Fill bank operation

Projects in Progress

As at 31 March 2017, the Group had 6 projects in progress with total contract value amounted to approximately HK$152.8 million. The details of projects in progress are as follows:

Type of Projects	Site Location	Type of Works
Foundation and Ancillary Works	Tuen Mun district	Demolition works
Foundation and Ancillary Works	Southern district	Site formation & mini-piling works
Foundation and Ancillary Works	Kowloon City district	Piling foundation works and ancillary works
Foundation and Ancillary Works	Yuen Long district	Site formation, ELS & concrete footing construction
Foundation and Ancillary Works	Wan Chai district	Hoarding & demolition works
Foundation and Ancillary Works	Yau Tsim Mong district	Disposal of excavated materials

Completed Projects

During the Year, the Group completed 16 projects with total contract value amounted to approximately HK$525.4 million. The details of completed projects are as follows:

Type of Projects	Site Location	Type of Works
Foundation and Ancillary Works	Yau Tong district	Earthwork and steel platform
Foundation and Ancillary Works	Cheung Sha district	Excavation and structure works
Foundation and Ancillary Works	Tuen Mun district	Site formation, ELS and foundation works
Foundation and Ancillary Works	Kwai Chung district	Site formation & ELS works
Foundation and Ancillary Works	Pok Fu Lam district	Site preparation & working platform
Foundation and Ancillary Works	Chai Wan district	Bored piles construction works
Foundation and Ancillary Works	Tseung Kwan O district	Hoarding, pipe pile and king post works
Foundation and Ancillary Works	Aberdeen district	Piling foundation works and ancillary works
Foundation and Ancillary Works	Shau Kei Wan district	Hoarding, foundation and ELS works
Foundation and Ancillary Works	Ma On Shan district	Hoarding, foundation and ELS works
Foundation and Ancillary Works	Kwun Tong district	ELS works
Foundation and Ancillary Works	Kwai Chung district	Reinforced concrete structure works
Foundation and Ancillary Works	Kau To district	Site formation & ELS works
Foundation and Ancillary Works	Yau Ma Tei district	Excavation & lateral support and piling works
Foundation and Ancillary Works	Tsim Sha Tsui district	Excavation & lateral support and piling and structure works
Construction Wastes handling	Tseung Kwan O and Tuen Mun districts	Operation of temporary construciton wastes sorting facilities

Investments in Securities

During the Year, the Group commenced a new business segment of investments in securities in order to diversify the Group's business. The Group has invested in a portfolio of listed securities in Hong Kong.

As at 31 March 2017, the Group managed a portfolio of listed securities with aggregate market value of approximately HK$82.6 million. During the Year, the Group recorded a gross profit in the segment of investments in securities of approximately HK$24.1 million of which, approximately HK$23.6 million, fair value change on investments in securities and approximately HK$0.6 million is dividend income from investments in securities. Set out below are the significant investments as at 31 March 2017:

	Name of investee company	Number of shares held	Investment cost (HK$'000)	Market value as at 31 March 2017 (HK$'000)	% to the Group's total assets as at 31 March 2017	Unrealized gain/(loss) on change in fair value for the year ended 31 March 2017 (HK$'000)	Gain/(loss) on disposal for the year ended 31 March 2017 (HK$'000)	Dividend received for the year ended 31 March 2017 (HK$'000)
1.	Master Glory Group Limited (275.HK)	31,200,000	5,629	6,427	1.55%	798	353	576
2.	Jia Meng Holdings Limited (8101.HK)	116,000,000	11,079	14,384	3.46%	3,305	546	0
3.	China Candy Holdings Limited (8182.HK)	64,180,000	9,646	12,066	2.90%	2,420	(6)	0
4.	KOALA Financial Group Limited (8226.HK)	128,800,000	18,938	21,510	5.17%	2,572	0	0
5.	Deson Construction International Holdings Limited (8268.HK)	25,032,000	6,164	7,760	1.87%	1,596	210	0
6.	Other investments			20,424	4.91%			
	Total			82,571	19.86%			576

Brief description of principal business of the respective investee company of the investments

Name of investee company	*Principal Business*
Master Glory Group Limited	Trading of securities, industrial water supply business, property development and trading and other strategic investments.
Jia Meng Holdings Limited	Design, manufacture and sale of mattresses and soft bed products in the PRC and export of mattresses to overseas markets; securities investment in Hong Kong; and property investment.
China Candy Holdings Limited	Manufacturing of candies in China, products include jelly drops candies, aerated candies, hard candies and chocolate-made products.
KOALA Financial Group Limited	Securities brokerage, money lending, securities investment, trading of commodities, trading of garment accessories, and manufacturing and trading of LED digital display products.
Deson Construction International Holdings Limited	Provide building construction works, electrical and mechanical engineering works and alterations, addition, renovation, refurbishment and fitting-out works, mainly in Hong Kong, Mainland China and Macau.

The Board acknowledges that there are both uncertainties and opportunities to the outlook of the investment industry for global financial markets. Accordingly, in order to mitigate possible financial risks, the Company has been continuously evaluating the performance of its existing investment portfolio and looking for other investment opportunities. The Group will continue to seek investment opportunities in listed securities and other financial products in Hong Kong and other recognised financial markets in the overseas with a view to generate additional income and enhance the capital use of the Group.

Money Lending

During the Year, the Group obtained the money lenders licence in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and commenced its money lending business since then. During the year, the Group generated approximately HK$2.2 million revenue and gross profit from this segment. The Directors consider it will be beneficial to the Group to explore new opportunities in the money lending business to widen its revenue base and minimise the risks of the Group overall, in order to enhance the capital use of the Group as well as the interests of the Company and its shareholders overall.

During the Year, except for the commencement of investments in securities business and money lending business, the Group had no material changes in its business nature and principal activities.

FINANCIAL REVIEW

Revenue

Revenue decreased by approximately 11.6% from approximately HK$399.3 million for the year ended 31 March 2016 to approximately HK$353.0 million for the Year. The decline was mainly due to keen competition in the market of foundation works and ancillary services resulting in the contract sum of the newly awarded projects during the Year being less than that of the comparable completed projects including major projects in Ma On Shan, Kau To and Kwun Tong, in which a majority of revenue was recognised in the corresponding period in 2016.

Gross profit and gross margin

Gross profit decreased by approximately 42.8% from approximately HK$70.4 million for the year ended 31 March 2016 to approximately HK$40.3 million for the Year. The decrease in gross profit margin was mainly due to the decrease in revenue as discussed in the section headed "Revenue" above. Gross profit margin for the Year was approximately 11.4%, representing a decrease of 6.2 percentage points from approximately 17.6% for the year ended 31 March 2016. The decrease was mainly due to the decrease in revenue from foundation projects and the Group had to reduce the profit margin of new foundation projects in order to compete in the increasingly competitive market due to an increase in the number of competitors and a decrease in the number of capital works projects as discussed in the section headed "Prospects" below.

Other income, gains and losses

Other income, gains and losses mainly consisted of Government grants and gain on the disposal of property, plant and equipment. During the Year, other income, gains and losses amounted to approximately HK$5.2 million (2016: HK$0.9 million).

Administrative and other operating expenses

The administrative and other operating expenses of the Group for the Year amounted to approximately HK$29.5 million, representing a decrease of approximately 9.3% compared with approximately HK$32.6 million for the year ended 31 March 2016. Such decrease was mainly due to the absence of one-off listing expenses during the Year when compared to last year.

Finance costs

Finance costs decreased by approximately 9.1% from approximately HK$1.1 million for the year ended 31 March 2016 to approximately HK$1.0 million for the Year, which is mainly due to the repayment of finance leases during the Year, which was slightly offset by the bank borrowings drawn during the Year.

Income tax expense

Income tax expense decreased by approximately 32.9% from approximately HK$8.5 million for the year ended 31 March 2016 to approximately HK$5.7 million for the Year. Such decrease was due to the decrease in revenue and gross profit as discussed in the sections headed “Revenue” and “Gross profit and gross margin” above.

Profit for the year

The Group recorded a net profit of approximately HK$8.4 million for the Year, representing a decrease of 71.2% compared with approximately HK$29.2 million for the year ended 31 March 2016. The decrease in the profit for the year was mainly due to the net effect of the decrease in revenue, gross profit, administrative and other operating expenses and income tax expense for the Year as discussed above.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report and the Prospectus, the Company does not have any other plans for material investments or capital assets.

PROSPECTS

The construction industry in Hong Kong is facing keen market competition with the increase in the number of competitors leading to the dilution in the profit margin of awarded contracts. Furthermore, the number of capital works projects dropped due to the filibustering in the Legislative Council causing delay in funding approval for public works. Despite the fact that the construction industry in Hong Kong is facing such uncertainties, the Group expects that the construction industry is under temporary adjustment and looks forward to the rebound from the downturn of the market. The Group's outlook still remains positive towards the construction industry and will proactively look for opportunities to create maximum returns to the shareholders of the Company.

Further, as always, there are both uncertainties and opportunities to the outlook of the investment industry for global financial markets. The implementation of balance sheet normalisation program by the Federal Reserve may signal an end of the global credit easing in the previous decade. This would have a gradual impact on the asset market as a whole. In addition, the rising political instability in a number of regions would render the global economic outlook volatile.

Looking on the bright side, the growth of the Mainland China economy and the flow of capital from Mainland China to Hong Kong would lend support to local investment sentiment and asset returns.

The Group will continue to respond to the changing market environment and review its investment strategy regularly. The Group will also seek investment opportunities in listed securities and other financial products in Hong Kong and other recognised financial markets in the overseas with a view to generate additional income and enhance the capital use of the Group.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The net proceeds of the share offer received by the Company in relation to the listing on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 2 September 2015 (the "**Listing Date**") were approximately HK$60.2 million, after deduction of underwriting fees and commissions and expenses. These proceeds are intended to be applied in accordance with the proposed application set put in the paragraph headed "Future plans and use of proceeds" in the prospectus of the Company dated 21 August 2015 (the "**Prospectus**"). Such uses were to acquire machinery and equipment, strengthen the workforce and manpower, repayment of the outstanding bank borrowings to reduce the finance costs and fund general working capital as during the period from the Listing Date to 31 March 2017, which were as follows:

Business objectives as stated in the Prospectus	Planned use of proceeds *HK$'000*	Actual use of proceeds from the Listing Date to 31 March 2017 *HK$'000*
Repayment of the outstanding bank borrowing	8,000	8,000
Acquisition of machinery and equipment	36,500	36,500
Strengthening the workforce and manpower	10,200	10,200
General working capital	5,500	5,500
	60,200	60,200

The Directors are not aware of material change to the planned use of proceeds as at the date of this report.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Group has funded the liquidity and capital requirements primarily through capital contributions from the Company's shareholders, bank borrowings, internally generated cash flow and proceeds received from the placing of the Company's shares (the "**Share(s)**").

As at 31 March 2017, the Group had cash and cash equivalents (excluding bank overdrafts) of approximately HK$52.1 million (31 March 2016: approximately HK$50.3 million). The increase was mainly due to the aggregate net proceeds of approximately HK$170.2 million received from the placing of the Shares offset by net cash used in operations of approximately HK$132.2 million mainly as result of investments in securities. For further information of the placing of the Shares, please refer to the paragraph "Placing of Shares" under this section of this report. The interest-bearing loans of the Group as at 31 March 2017 was approximately HK$34.2 million (31 March 2016: approximately HK$29.9 million).

The gearing ratio is calculated based on the amount of total interest-bearing loans divided by total equity. The gearing ratio of the Group as at 31 March 2017 was approximately 9.9% (as at 31 March 2016: approximately 17.9%). This is mainly due to the increase in equity from the placing of the Shares.

SHARE SUBDIVISION

On 9 March 2017, the Board proposed that each of the existing issued and unissued shares of HK$0.010 each in the share capital of the Company be subdivided into two shares of HK$0.005 each. An ordinary resolution to approve the share subdivision has been passed by the shareholders of the Company at the extraordinary general meeting held on 21 April 2017. Upon the share subdivision having become effective on 24 April 2017 and as at the date of this report, the Company's authorised share capital was HK$100,000,000 divided into 20,000,000,000 ordinary shares of HK$0.005 each, of which 5,262,000,000 were in issued and fully paid. For details, please refer to the Company's announcements dated 9 March 2017, 20 March 2017, 29 March 2017 and 21 April 2017 and the Company's circular dated 3 April 2017.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

The Group's machinery and equipment with an aggregate net book value of approximately HK$8.4 million and HK$12.7 million and motor vehicles with an aggregate net book value of approximately HK$2.8 million and HK$6.8 million as at 31 March 2017 and 2016, respectively, were pledged under finance leases. As at 31 March 2017, investment properties with a carrying amount of approximately HK$11,000,000 (2016: Nil) have been pledged to other borrowing granted to the Group.

The Group, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgements or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

FOREIGN EXCHANGE RISK

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

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2017, the Group employed 104 staff (31 March 2016: 236 staff). Total staff costs including directors' emoluments for the Year, amounted to approximately HK$68.6 million (for the year ended 31 March 2016: approximately HK$96.4 million). The salary and benefit levels of the employees of the Group are competitive and individual performance is rewarded through the Group's salary and bonus system. The Group provides adequate job training to the employees to equip them with practical knowledge and skills.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Save for the Possible Transaction as mentioned above, during the Year, the Group did not have any significant investments held or any material acquisitions or disposals of subsidiaries or associated companies.

PLACING OF SHARES

On 26 May 2016, the Company issued and allotted a total of 168,000,000 ordinary Shares of HK$0.01 each to not less than six placees who and whose ultimate beneficial owners are not connected persons of the Company and are third parties independent of, and not connected with, the Company, any Director(s), chief executive(s) or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates at a price of HK$0.5 per Share, representing a discount of approximately 29.58% to the closing price of HK$0.71 per share on that day. The Directors are of the view that the placing will strengthen the financial position of the Group to be able to fund any potential development and investment opportunities to be identified by the Company. It can also broaden the shareholders base and the capital base of the Company. The net proceeds of the placing (after deducting all applicable costs and expenses of the placing) was approximately HK$81 million, representing a net issue price of approximately HK$0.48 per placing share. As stated in the announcement of the Company dated 13 May 2016, the Company will allocate (i) approximately HK$16 million out of the net proceeds from the placing of approximately HK$81 million for general working capital purposes, among which, approximately HK$8 million will be used for loan repayment and approximately HK$8 million will be allocated as general working capital; and (ii) the remaining of the net proceeds of approximately HK$65 million for financing any potential investment opportunities of the Group that may arise from time to time. The placing of new Shares was completed on 26 May 2016. For details, please refer to the Company's announcements dated 10 May 2016, 13 May 2016 and 26 May 2016.

On 23 September 2016, the Company issued and allotted a total of 175,000,000 ordinary Shares of HK$0.01 each to not less than six placees who and whose ultimate beneficial owners are not connected persons of the Company and are third parties independent of, and not connected with, the Company, any Director(s), chief executive(s) or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates at a price of HK$0.52 per Share, representing a discount of approximately 18.75% to the closing price of HK$0.64 per share on that day. The Directors are of the view that the placing will broaden the Company's shareholder and capital base and increase the overall liquidity of the Shares. Moreover, it will also strengthen the financial position of the Company. The net proceeds from the placing will be used for financing any investment opportunities when they arise, including but not limited to the Possible Transaction as disclosed in the Company's announcement dated 7 September 2016. The placing of new Shares was completed on 23 September 2016. For details, please refer to the Company's announcements dated 7 September 2016 and 23 September 2016.

CAPITAL COMMITMENTS

The Group had capital commitment amounted to approximately HK$1.7 million as at 31 March 2017 (31 March 2016: approximately HK$6.4 million).

DIRECTORS

Executive Directors

Mr. IP Ying Chau (葉應洲) ("Mr. Ip"), aged 46, is the Company's executive Director, chairman and chief executive officer. Mr. Ip is primarily responsible for overall strategic development, project management and client management of the Group. Mr. Ip is also a director of all the wholly-owned subsidiaries of the Group. Mr. Ip together with Mr. Chan, founded Progressive Foundation on 11 May 2012 and was appointed as director of Bright Access on 17 November 2014. Mr. Ip obtained a Bachelor of Engineering degree from the University of Hong Kong in January 1995 and a Master of Science degree in Engineering from the University of Hong Kong in December 1998. Mr. Ip has accumulated about 19 years of experience in the foundation works industry. Prior to joining Bright Access and co-founding Progressive Foundation, Mr. Ip was a graduate engineer at Ove Arup and Partners Hong Kong Limited from August 1994 to August 1998, an assistant geotechnical engineer at Mass Transit Railway Corporation Limited (stock code: 66) from August 1998 to March 2001 and a project manager at Konwall Construction and Engineering Company Limited and W.M. Construction Limited from April 2001 to February 2005 and from September 2006 to March 2012, respectively. Mr. Ip is the spouse of Ms. Tung Ah Pui Athena.

Save as disclosed above, he was not a director in any other listed companies for the last three preceding years.

Mr. CHAN Wing Chung (陳永忠) ("Mr. Chan"), aged 52, is the Company's executive Director and vice chairman. Mr. Chan is primarily responsible for overall strategic development, project management and client management of the Group. Mr. Chan is also a director of all the wholly-owned subsidiaries of the Group except for Win Target. Mr. Chan joined Chung Shun and Bright Access as a director on 4 February 2004 and 28 November 2008, respectively, and together with Mr. Ip Ying Chau, founded Progressive Foundation on 11 May 2012. He has over 20 years of experience in the foundation works industry. Mr. Chan attended secondary school education in Hong Kong. Mr. Chan was a director of Ace Team Development Limited which was incorporated in Hong Kong and was dissolved by means of striking off on 29 January 2010 pursuant to section 291 of the Predecessor Companies Ordinance. Mr. Chan confirmed that the said company was solvent and inactive at the time of being struck off and that its dissolution had not resulted in any liability or obligation imposed against him.

Save as disclosed above, he was not a director in any other listed companies for the last three preceding years.

Ms. TUNG Ah Pui Athena (董亞蓓) ("Ms. Tung"), aged 46, is the Company's executive Director. Ms. Tung is responsible for general management, as well as the daily operations of the Group including human resources management, strategic planning and business development of the Group, developing and implementing business plans and budgets and their periodical review and establishing and monitoring the compliance with company policies and procedures. Ms. Tung possesses over 10 years of project management experience in various industries. Between March 2006 and June 2010, Ms. Tung was the order management manager at Bayer MaterialScience Limited. She was employed as the portfolio lead in the department of information management at Cathay Pacific Airways Limited from October 2010 to January 2012. From January 2012 to September 2014, she was employed by Standard Chartered Bank (HK) Limited and her last designation was director of channel management department. Ms. Tung obtained a Bachelor of Arts degree from The Chinese University of Hong Kong in December 1995 and a Professional Diploma in Six Sigma (Black Belt) for Service Industries from the School of Continuing and Professional Studies at The Chinese University of Hong Kong in June 2010. Ms. Tung is the spouse of Mr. Ip.

Save as disclosed above, she was not a director in any other listed companies for the last three preceding years.

Mr. CHAN Chiang Kan (陳獎勤) ("Mr. Chan C.K."), aged 46, is the Company's executive Director. Mr. Chan C.K. is responsible for assisting the Company's chief executive officer in project management. He has over 16 years of experience in the foundation work industry. Prior to joining the Group, Mr. Chan C.K. worked for Maunsell Geotechnical Services Limited ("**Maunsell**") from November 1995 to June 2000 as assistant engineer. He later rejoined Maunsell again in February 2001 and worked until April 2007 with last position held as geotechnical engineer. From July 2009 to August 2012, he was employed as an engineer at Ove Arup and Partners Hong Kong Limited. Mr. Chan C.K. was seconded to Win Win Way Construction Company Limited as a senior project manager from August 2012 to February 2013 when he joined the Group as a project manager in August 2012. Mr. Chan C.K. obtained a Bachelor of Engineering from The Hong Kong Polytechnic University in October 1995 and a Master of Science degree in Engineering from the University of Hong Kong in December 2006. Mr. Chan C.K. is a member of the Hong Kong Institution Engineers and the Institution of Civil Engineers. Mr. Chan C.K. is also a registered professional engineer (civil).

Save as disclosed above, he was not a director in any other listed companies for the last three preceding years.

Mr. MUI Wai Sum (梅偉琛) ("Mr. Mui"), aged 29, is the Company's executive Director. Mr. Mui is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Mui holds a Bachelor of Business Administration Degree with major in General Finance from the Chinese University of Hong Kong. Mr. Mui had worked in Corporate Restructuring Services for an international accounting firm. He has extensive experience in corporate finance, corporate restructuring and securities investment. Mr. Mui currently serves as an executive director of Sau San Tong Holdings Limited (stock code: 8200), the shares of which are listed on the Growth Enterprise Market of the Stock Exchange.

Mr. Mui was an executive director of Sunrise (China) Technology Group Limited (stock code: 8226) from 4 November 2014 to 19 May 2017, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange.

Save as disclosed above, he was not a director in any other listed companies for the last three preceding years.

Mr. YIP To Chun (葉道臻) ("Mr. Yip"), aged 30, was appointed as an executive Director on 12 July 2017. Mr. Yip is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountant. Mr. Yip holds a bachelor of business administration. Mr. Yip has over 6 years of working experience in the advisory services of two international accounting firms and he has extensive experience in accounting, corporate finance and corporate restructuring.

Save as disclosed above, Mr. Yip was not a director in any other listed companies for the last three preceding years.

Independent non-executive Directors

Mr. CHEUNG Kwok Yan Wilfred (張國仁) ("Mr. Cheung"), aged 37, was appointed as an independent non-executive Director. Mr. Cheung graduated from the University of Buckingham in the United Kingdom with a Bachelor of Science (Economics) in accounting and financial management in February 2005. Mr. Cheung is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Hong Kong Institute of Directors and is a member of the Institute of Chartered Accountants in England and Wales.

Mr. Cheung was an independent non-executive director of Chun Sing Engineering Holdings Limited (stock code: 2277) between December 2014 and June 2016, whose securities are listed on the Main Board of the Stock Exchange.

Save as disclosed above, he was not a director in any other listed companies for the last three preceding years.

Mr. FENG Zhidong (馮志東) ("Mr. Feng"), aged 43, was appointed as an independent non-executive Director on 12 August 2015. Mr. Feng graduated from the School of Business of Renmin University of China with his major study in international accounting in July 1995 and obtained the Master Degree of Business Administration in South China University of Technology in February 2004. He obtained the qualification of Chinese Accountant in May 1999. Mr. Feng is a member of Hong Kong Securities and Investment Institute and Hong Kong Investor Relations Association. Mr. Feng is also the chief executive officer of Guangzhou Yueting Network Technology Co., Ltd. Mr. Feng was the Deputy General Manager of the Capital Department of Yuexiu Enterprises (Holdings) Limited ("**Yuexiu Group**") and the General Manager of the Investor Relations Department of group company of Yuexiu Property Company Limited (stock code: 123). Mr. Feng is familiar with the operations of capital markets of listed companies and has participated in major capital operation projects of the Yuexiu Group since 2007. He also has practical experience in financial management, capital operations and managing investor relations.

Save as disclosed above, he was not a director in any other listed companies for the last three preceding years.

Professor HO Ho Ming (何昊洺) (former name: HO Wing Hang (何榮亨)) ("Professor Ho"), aged 45, was appointed as an independent non-executive Director on 12 August 2015. Professor Ho is currently a professor of practice in the Department of Finance and Insurance at Lingnan University of Hong Kong, and an adjunct professor of the Department of Real Estate and Construction at the University of Hong Kong. In addition, Professor Ho is an honorary associate of the Asia-Pacific Institute of Business of The Chinese University of Hong Kong and an external advisory member of the Departmental Advisory Committee on Applied Mathematics at The Hong Kong Polytechnic University. Professor Ho has about 16 years of experience in the field of investment banking and credit rating. From

April 1996 to September 1997, he was employed as an analyst by Credit Suisse First Boston (Hong Kong) Limited. From September 1997 to September 1998, he was employed as an analyst by Merrill Lynch (Asia Pacific) Limited. From December 1999 to February 2002, he was employed as an Associate by Bear Sterns Asia Limited. From April 2003 to October 2013, he was employed by Fitch (Hong Kong) Limited and his position was senior director, structured finance at the time of his departure. From October 2013 to September 2014, he was employed as chief analyst by Universal Credit Rating Group. Professor Ho graduated from the Hong Kong University of Science and Technology with a Bachelor of Business Administration in Information and Systems Management in November 1996. He also obtained a Master of Business Administration degree from the University of Cambridge, the United Kingdom in May 2000, and a Doctor of Business Administration from the City University of Hong Kong in July 2016.

Professor Ho was an independent non-executive director of KSL Holding Limited (stock code: 8170) from 2014 to 2016, an independent non-executive director of Wan Kei Group Holdings Limited (stock code: 1718) from 2014 to 2017 and is currently an independent non-executive director of Kwan On Holdings Limited (stock code: 1559, previous stock code: 8305).

Save as disclosed above, Professor Ho was not a director in any other listed companies for the last three preceding years.

SENIOR MANAGEMENT

Mr. KWAN Chung Shing (關仲誠先生), aged 52, is the head of site operation of the Group. Mr. Kwan joined the Group on 1 April 2006. Mr. Kwan has over 30 years of experience in the construction industry. Mr. Kwan is responsible for overseeing the site operations, as well as quality control of the Group’s projects. Prior to joining the Group, he was employed as a land surveyor at Gammon Construction Company Limited and Paul Y. Construction Company Limited from June 1983 to November 1987 and from December 1987 to December 1989, respectively, and a project manager at Chung Shun Heavy Machine from December 1989 to March 2006. He attended secondary school education in Hong Kong.

Ms. FONG Yeuk Lan (方若蘭女士), aged 38, is the head of the quantity surveying department and a senior quantity surveying manager of the Group. Ms. Fong joined the Group on 1 June 2002. She has over 12 years of experience in quantity surveying. Ms. Fong is responsible for overseeing quantity surveying activities including cost control. Prior to joining the Group, she was employed as an assistant quantity surveyor at China State Construction & Engineering Corporation from September 2001 to May 2002. Ms. Fong obtained a Bachelor of Engineering in Building Engineering (Construction Engineering and Management) from the City University of Hong Kong in February 2010.

COMPANY SECRETARY

Ms. SO Hau Kit (蘇巧潔女士), aged 39, was appointed as the company secretary of the Company on 12 August 2015. Ms. So is a director of Wonder World Corporate Services Limited with over 10 years of experience in company secretarial services and commercial solutions. Ms. So is an associate member of The Hong Kong Institute of Chartered Secretaries since October 2011 and also an associate member of The Institute of Chartered Secretaries and Administrators since August 2011. She obtained a degree of Master of Corporate Governance in June 2011 and a Bachelor of Business Administration in December 2008 from The Open University, Hong Kong. Ms. So is also the company secretary of China Candy Holdings Limited (stock code: 8182), a company listed on the Growth Enterprise Market of the Stock Exchange and is principally engaged in candies manufacturing business.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to upholding a high standard of corporate governance practices and business ethics in the firm belief that they are crucial to improving the efficiency and performance of the Group and to safeguarding the interests of the shareholders. The Board reviews the Company's corporate governance practices from time to time in order to meet the expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance. Set out below are the principles of corporate governance as adopted by the Company.

CORPORATE GOVERNANCE CODE

The Company has applied the principles of and complied with the applicable code provisions of the Code on Corporate Governance Practices as set out Appendix 14 (the "**CG Code**") to the Listing Rules during the Year and up to the date of this report, save for the deviation from code deviation from A.2.1 which is explained below. The Company periodically reviews its corporate governance practices to ensure that they continue to meet the requirements of the CG Code.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should not be performed by the same individual.

Mr. Ip Ying Chau is the Chairman and the chief executive officer of the Company. With his extensive experience in the industry, the Board believes that vesting the roles of both Chairman and chief executive officer in the same person provides the Company with strong and consistent leadership, allows for effective and efficient planning and implementation of business decisions and strategies, and is beneficial to the business prospects and management of the Group. Although Mr. Ip Ying Chau performs both the roles of Chairman and chief executive officer, the division of responsibilities between the Chairman and chief executive officer is clearly established. The two roles are performed by Mr. Ip Ying Chau distinctly. The Company considers that it is the long-term objective of the Company to have these two roles performed by separate individuals when suitable candidates are identified.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") as set out in Appendix 10 of the Listing Rules. In response to a specific enquiry by the Company, all Directors have confirmed that they complied with the requirements of the Model Code during the Year and up to the date of this report.

CORPORATE GOVERNANCE FUNCTIONS

It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company's circumstances and to ensure processes and procedures are in place to achieve the Company's corporate governance objectives.

The duties of the Board in performing its corporate governance functions under the CG Code include:

1. to develop and review the Company's policies and practices on corporate governance;

2. to review and monitor the training and continuous professional development of Directors and senior management of the Company;

3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

4. to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors of the Company; and

5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT PROGRAMME

Each newly appointed Director shall receive formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors will be continuously updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Directors are also encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries update the Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

During the Year and up to the date of this annual report, all Directors, namely Mr. Ip Ying Chau, Mr. Chan Wing Chung, Ms. Tung Ah Pui Athena, Mr. Chan Chiang Kan, Mr. Mui Wai Sum, Mr. Yip To Chun, Mr. Cheung Kwok Yan Wilfred, Mr. Feng Zhidong and Professor Ho Ho Ming, have participated in continuous professional training to develop and refresh their knowledge and skills in relation to their contribution to the Board.

The training each Director received during the Year is summarised as below:

Name of Directors	Reading materials regarding regulatory update and corporate governance matters	Attending seminars/in-house workshops relevant to the Company's business, Listing Rules compliance and risk management
Executive Directors		
Mr. Ip Ying Chau	√	√
Mr. Chan Wing Chung	√	√
Ms. Tung Ah Pui Athena	√	√
Mr. Chan Chiang Kan	√	√
Mr. Mui Wai Sum	√	√
Independent non-executive Directors		
Mr. Cheung Kwok Yan Wilfred	√	√
Mr. Feng Zhidong	√	√
Professor Ho Ho Ming	√	√

THE BOARD

Role and function

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

Composition

As at the date of this annual report, the Board currently comprises nine members, consisting of six executive Directors and three independent non-executive Directors.

The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The Board comprises the following Directors:

Executive Directors
Mr. Ip Ying Chau *(Chairman and chief executive officer)*
Mr. Chan Wing Chung
Ms. Tung Ah Pui Athena
Mr. Chan Chiang Kan
Mr. Mui Wai Sum
Mr. Yip To Chun (appointed on 12 July 2017)

Independent Non-executive Directors
Mr. Cheung Kwok Yan Wilfred
Mr. Feng Zhidong
Professor Ho Ho Ming

Biographical details of the Directors and senior management of the Company are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 15 to 18 of this annual report.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

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

Board Meetings

The Board has six scheduled meetings a year. Additional meetings would be arranged if and when required.

The company secretary of the Company (the "**Company Secretary**") assists the Chairman in drawing the agenda of each meeting and each Director may request inclusion of matters in the agenda. Generally, at least 14 days' notice of a regular Board meeting is given and the Company aims at giving reasonable notice for all other Board meetings. The Company also aims at sending the agenda and the accompanying board papers, which are prepared in such form and quality as will enable the Board to make an informed decision on matters placed before it, to all Directors at a reasonable time before the intended date of a Board meeting.

All Directors have access to the Company Secretary who is responsible for ensuring that Board procedures are complied with and all applicable rules and regulations are followed.

The Company Secretary is responsible for taking minutes of Board and Board committee meetings, drafts and final versions of which would be sent to Directors for comments and records respectively, in both cases within a reasonable time after each meeting. Minutes are recorded in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views (if any) expressed. Minutes of the Board and Board committees' meetings are kept by the Company Secretary and are open for inspection by any Director or committee member.

If a substantial shareholder of the Company or a Director has a conflict of interest in a matter (including material transaction with connected persons) which the Board has determined to be material, a Board meeting will be held instead of by way of resolution.

Attendance records

During the Year, a total of six Board meetings and one general meeting were held and the attendance records are as follows:

Name of Director	Meetings attended/ Number of general meetings attended	Meetings attended/ Number of Board meetings
Executive Directors		
Mr. Ip Ying Chau	1/1	4/6
Mr. Chan Wing Chung	1/1	3/6
Ms. Tung Ah Pui Athena	1/1	4/6
Mr. Chan Chiang Kan	0/1	3/6
Mr. Mui Wai Sum	1/1	3/6
Mr. Yip To Chun (appointed on 12 July 2017)	N/A	N/A
Independent non-executive Directors		
Mr. Cheung Kwok Yan Wilfred	1/1	2/6
Mr. Feng Zhidong	1/1	3/6
Professor Ho Ho Ming	1/1	3/6

Access to information

The Directors may seek independent professional advice in appropriate circumstances, at the Company's expenses. The Company will, upon request, provide separate independent professional advice to Directors to assist the relevant Directors to discharge their duties to the Company.

The Board is supplied with relevant information by the senior management pertaining to matters to be brought before the Board for decision as well as reports relating to operational and financial performance of the Group before each Board meeting. Where any Director requires more information than is volunteered by the management, each Director has the right to separately and independently access to the Company's senior management to make further enquiries if necessary.

Appointments and re-election of Directors

Directors were nominated by members of the Board during the year to fill casual vacancies or as an addition to existing Board. The Nomination Committee, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience for the appointments of new Directors. The Nomination Committee then nominates the most suitable candidate to be appointed to the Board.

According to the articles of association of the Company (the "**Articles of Association**"), any Director so appointed by the Board shall hold office, in the case of filling a casual vacancy, only until the next following general meeting of the Company or, in the case of an addition to their number, until the next following annual general meeting of the Company who shall then be eligible for re-election at such general meeting. Every Director is appointed for a specific term and is subject to retirement by rotation at least once every three years.

In accordance with Article 108(a) of the Articles of Association, at each annual general meeting, at least 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. Mr. Ip Ying Chau, Mr. Feng Zhidong and Professor Ho Ho Ming will retire from office as Directors at the forthcoming annual general meeting of the Company (the "**AGM**"), and being eligible, offer themselves for re-election. Mr. Yip To Chun was appointed as the executive Director by the Board with effect from 12 July 2017.

Mr. Yip To Chun, being eligible, offers himself for re-election at the AGM pursuant to article 112 of the Articles.

Chairman and Chief Executive

Mr. Ip Ying Chau serves as the Chairman and executive Director, as well as the chief executive officer of the Company. He is responsible for formulating corporative and business strategies and making major operational decisions. With the support of the executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors, the number of which must represent at least one-third of the Board, with at least one independent non-executive Director possessing appropriate professional qualifications and accounting and related financial management expertise.

The independent non-executive Directors are considered by the Board to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgments. The Board considered that each of the independent non-executive Directors brings his own relevant expertise to the Board and its deliberations. None of the independent non-executive Directors has any business or financial interests with the Group nor has any relationship with other Directors.

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR ACCOUNTS

The Directors' responsibilities for the accounts and the responsibilities of the external auditors to the shareholders are set out on pages 49 to 50 of this annual report.

NOMINATION COMMITTEE

The Nomination Committee comprises three members, namely Mr. Ip Ying Chau (the chairman of the Nomination Committee), Professor Ho Ho Ming and Mr. Feng Zhidong, the majority of them are independent non-executive Directors. The principal duties of the Nomination Committee include, among other things:

- review the structure, size and composition of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- review the Company's board diversity policy and the progress on achieving the objectives set for implementing the said policy;
- identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- assess the independence of independent non-executive Directors;
- make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive; and
- conform to any requirement, direction, and regulation that may from time to time be contained in the memorandum and articles of association of the Company or imposed by the Listing Rules or applicable law.

During the Year, there were two meeting of the Nomination Committee held. The attendance records of each member of the Nomination Committee are set out below:

Nomination Committee	Meetings attended/Eligible to attend
Mr. Ip Ying Chau *(chairman)*	2/2
Mr. Feng Zhidong	2/2
Professor Ho Ho Ming	2/2

REMUNERATION COMMITTEE

The Remuneration Committee comprises three members, namely Mr. Feng Zhidong (the chairman of the Remuneration Committee), Mr. Ip Ying Chau and Professor Ho Ho Ming, the majority of the Remuneration Committee are the independent non-executive Directors which complied with rule 3.25 of the Listing Rules. The principal duties of the Remuneration Committee include, among other things:

- consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive Directors;
- make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- make recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
- make recommendations to the Board on the remuneration of non-executive Directors;
- consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct;
- ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration; and
- conform to any requirement, direction, and regulation that may from time to time be contained in the memorandum and articles of association of the Company or imposed by the Listing Rules or applicable law.

The Remuneration Committee may consult the Chairman about their proposals relating to the remuneration of other executive Directors. The Remuneration Committee takes into consideration industry practices and norms in compensation, in addition to the performance relative to the industry and the performance of the individual Directors. The Company reviews the remuneration package annually taking into consideration of the market practice, competitive market position and individual performance.

During the Year, Two meetings of the Remuneration Committee were held. The work done by the Remuneration Committee during the Year includes the following:

1. determining the policy for the remuneration of executive Directors;

2. assessing performance of executive Directors; and

3. approving the terms of an executive Director's Service Contract.

The attendance records of each member of the Remuneration Committee are set out below:

Remuneration Committee	**Meetings attended/Eligible to attend**
Mr. Feng Zhidong *(chairman)*	2/2
Mr. Ip Ying Chau	2/2
Professor Ho Ho Ming	2/2

AUDIT COMMITTEE

The Company has established an Audit Committee in accordance with the requirements of among Listing Rules with terms of reference aligned with the provision of the CG Code as set out in Appendix 14 to the Listing Rules. The Audit Committee is to serve as a focal point for communication among other directors, the external auditors, and the management as their duties relate to financial and other reporting, internal controls and the audits; and to assist the Board in fulfilling its responsibilities by providing an independent review of financial reporting, be satisfying themselves as to the effectiveness of the Company's internal controls and as to the efficiency of the audits. The Audit Committee comprises three independent non-executive Directors, namely Mr. Cheung Kwok Yan Wilfred (the chairman of the Audit Committee), Mr. Feng Zhidong and Professor Ho Ho Ming. The primary duties of the Audit Committee include:

- to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditors, and to approve and review the remuneration and terms of engagement of the external auditors;

- to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

- to develop and implement policy on engaging an external auditors to supply non-audit services;

- to monitor the integrity of financial statements and the annual report and accounts and half-year report, and to review significant financial reporting judgments contained in them;

- to discuss the internal control system with management of our Group to ensure that the management of our Group has performed its duty to have an effective internal control system; and

- to develop and review our Group's policies and practices on corporate governance and make recommendations to the Board and monitor our Group's policies and practices on compliance with legal and regulatory requirements.

The Audit Committee has explicit authority to investigate any activity within its terms of reference and the authority to obtain outside legal or other independent professional advice if it considers necessary. It is given access to and assistance from the employees and reasonable resources to discharge its duties properly.

During the Year, the Board had no disagreement with the Audit Committee's view on the re-appointment of the external auditors. The financial statements for the Year have been reviewed by the Audit Committee.

During the Year, the Audit Committee held one meeting to review the interim financial results of the Group for the six months ended 30 September 2016. Subsequent to the end of the Year and up to the date of this annual report, a meeting of the Audit Committee was held to review the Group's financial result for the Year for submission to the Board for approval, review the internal control and risk management systems of the Group, oversee the audit process and make recommendation on the re-appointment of the external auditors.

The attendance records of each member of the Audit Committee are set out below:

Audit Committee	Meetings attended/Eligible to attend
Mr. Cheung Kwok Yan Wilfred *(Chairman)*	2/2
Mr. Feng Zhidong	2/2
Professor Ho Ho Ming	2/2

AUDITORS' REMUNERATION

The statement of the external auditors of the Company about its reporting responsibilities for consolidated financial statements is set out in the "Independent Auditors' Report" on pages 49 to 50.

Annual audit fees of the consolidated financial statements of the Group for the Year payable to the external auditor are approximately HK$950,000 (for the year ended 31 March 2016: approximately HK$880,000). In addition, approximately HK$200,000 (for the year ended 31 March 2016: HK$2,530,000) was incurred for other non-audit services.

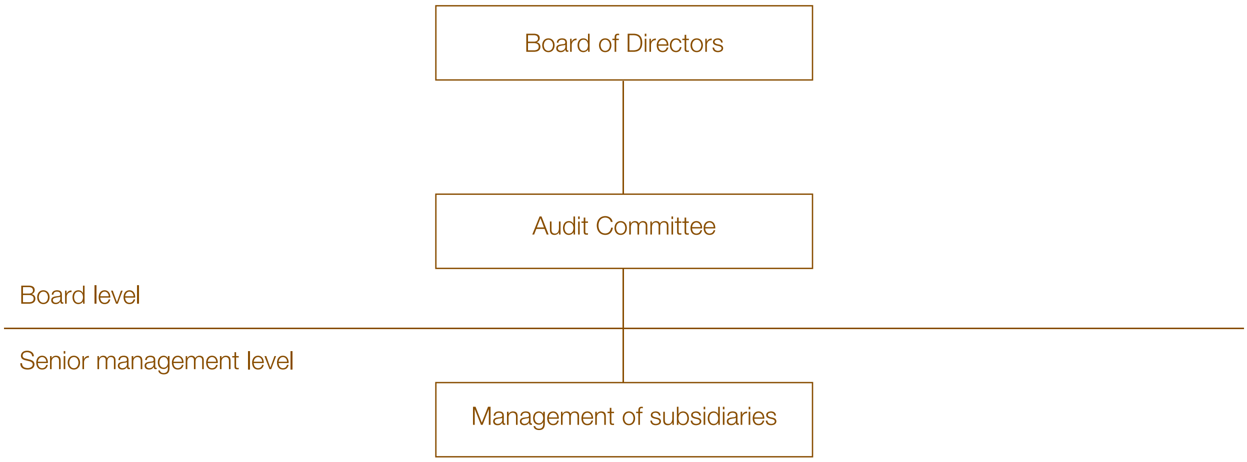
RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibilities (with relevant authorities) of risk management and internal control to the Audit Committee, who oversees management in the design, implementation and monitoring of the risk management and internal control systems.

Main features of the risk management and internal control systems

The risk management framework of the Group and main responsibilities of the members in the framework are described as follows:



Member	**Main Responsibilities**
The Board	• Set up goals for risk management strategy, assess and determine the nature and extent of risk acceptable to achieve the strategy goals; • Establish and maintain a proper and effective risk management and internal control systems; and • Review the effectiveness of the risk management and internal control systems annually.
Audit Committee	• Assist the Board in overseeing the risk level and the design and performance of the risk management and internal control systems; • Discuss the risk management and internal control systems with the management, ensure the management has fulfilled its responsibility of establishing effective systems; • Ensure that the internal audit function has sufficient resources for operation and has a proper position, review and supervise its performance; • Keep updated of various major risks confronted by the Group and the risk management status, make decisions for effective risk control; • Report the risk status of the Group and issues to be concerned or improved to the Board on a regular basis;

Member	Main Responsibilities
	• Facilitate risk management and assessment, regularly appoint relevant accountable persons to implement risk assessment; • Organise and promote the establishment of the risk management system at the group level; • Review material risk assessment report and various risk management reports; • Review major risk management measures, rectify and deal with the decisions made or actions adopted by relevant organisations or individuals beyond the risk management system; • Engage relevant persons to organise and coordinate various departments and projects to carry out identification and assessment of significant risks at the group level, summarise and analyse such information, submit risk assessment and various risk management reports; and • Carry out risk management for other major issues.
Management of subsidiaries	• Ensure that the subsidiaries carry out the risk assessment in compliance with the risk assessment manual formulated by the Group; • Review and approve the risk assessment results of the subsidiaries in respect of the business; • Ensure that the subsidiaries implement effective risk management; • Monitor the principal business risks confronted by the subsidiaries and the effectiveness of relevant risk management measures; and • Allocate resources such as fund and workforce to the subsidiaries for implementation of the risk assessment projects.

The process used to identify, assess and management of principal risks

The risk management process of the Group is described as follows:

Risk identification	–	identify the current risks confronted.
Risk analysis	–	conduct analysis on the risk including the impact extent and possibility of occurrence.
Risk response	–	choose a proper risk response method and develop a risk mitigation strategy.
Control measures	–	propose up-to-date internal control measures and policy and process.
Risk control	–	continuously monitor the risks identified and implement relevant internal control measures to ensure the effective operation of the risk response strategy.
Risk management report	–	summarise results of risk assessment and analysis and internal audit, formulate and report an action plan.

The process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects:

The Group establishes a risk management information and communication channel that is functional within the whole basic risk control procedure, connects different levels in the reporting system and different departments and operation units, so as to ensure timely, accurate and complete communication of information, laying a solid foundation for the monitoring and improvement of risk management.

Different departments and business units of the Group regularly inspect and examine their own risk management process in order to locate the shortcomings and remedy the situation if possible. Their inspection and examination reports are delivered to the Group's risk management department in time.

The Board further considers that (i) there was no material issue relating to the Group's risk management and internal controls, including financial, operational and compliance controls and risk management functions of the Group; and (ii) that there were adequate staff with appropriate and adequate qualifications and experience, resources for accounting, internal audit and financial reporting functions, and adequate training programmes had been provided during the Year.

COMPANY SECRETARY

The Company has engaged Ms. So Hau Kit as the company secretary. In compliance with Rule 3.29 of the Listing Rules, Ms. So Hau Kit has undertaken no less than 15 hours of relevant professional training during the Year.

COMMUNICATION WITH SHAREHOLDERS

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

To promote effective communication, the Company maintains the website at www.leapholdings.hk, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. Latest information on the Group including annual and interim reports, announcements and press releases are updated on the Company's website in a timely fashion.

The 2017 AGM will be held on 29 August 2017. The notice of the AGM will be sent to shareholders at least 20 clear business days before the AGM.

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene a special general meeting

Pursuant to the Articles of Association, any 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 carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

Procedures for putting forward proposals at shareholders' meeting

Shareholders are welcomed to suggest proposals relating to the operations, strategy and/or management of the Group to be discussed at shareholders' meeting. Proposal shall be sent to the Board or the company secretary by written requisition to the company secretary at the Company's principal place of business in Hong Kong at Units 2701-02, 27th Floor, Win Plaza, 9 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong.

Shareholders' enquiries

Shareholders may send their enquiries and concerns to the Board by addressing them to the company secretary or relevant personnel by mail to the Company's principal place of business in Hong Kong at Units 2701-02, 27th Floor, Win Plaza, 9 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong.

CONSTITUTIONAL DOCUMENTS

During the Year, there has been no significant change in the Company's constitutional documents.

This report is prepared in accordance with the "Environmental, Social and Governance Reporting Guide" ("**ESG Guide**") of the Stock Exchange set out in Appendix 27 of the Listing Rules, with an aim to inform relevant parties and stakeholders of our policies, measures and performance regarding environmental, social and governance ("**ESG**") issues.

During the Year, the Company has complied with the "comply or explain" provisions set out in the Guide.

ENVIRONMENT

Emissions

The Group engaged in the construction industry which may generate some harmful waste due to the nature of the work. The company is strictly committed to complying with requirements stipulated in the relevant local environmental laws and regulations. The Company has adopted the emission control measures, included but not limit to: 1) use of ultra-low sulphur diesel for plants and generators; (2) open burning is prohibited in all sites; (3) turning off plants whenever they are not in use; and (4) provision of guidance and instruction on waste management to its site staff The Group has taken all reasonable actions to closely monitor, supervise and manage the environmental impact of the operation. Further, in order to reduce the carbon footprint of business travel, the Group encourages its staffs to communicate through telephone and e-mail in the ordinary course of business and reduce the frequency of travel by plane and vehicle.

The Group has not identified any material non-compliance of environmental laws and regulations during the Year.

Use of Resources

The Group values the operational efficiency in the usage of resources including but not limited to fuel, electricity, petroleum, gas or petroleum gas, paper and water in operating in both sites and offices. The Group continuously monitors the usage of resources. In case of any unusually high usage, the Group would implement remedial measures in a timely manner. In addition, the Group also promotes to its employees the concept of efficient use of resources, included but not limited to: (1) keep doors and windows closed when air conditioners are in operation, and maintaining the optimal temperature at 25.5 Degree Celsius; (2) encourage our staffs to save water and reduce domestic sewage in toilet; (3) turn off all lights, computers, office equipment and air conditioners when no one is in office; (4) use double-sided printing instead of single-sided printing; (5) implement the 3R principle, which is "reducing, reusing and recycling"; and (6) make use of scanned or electronic copies, in the ordinary course of business.

Environment and Natural Resources

The Group is committed to providing adequate and appropriate resources in order to reduce the adverse impacts to the environment. The Group regularly provides internal training and briefings about environment and natural resources to its management and employees and assesses and reviews significant risks to ensure that the Group responds to them promptly with appropriate mitigating actions in order to minimise the impact of the business on the environment.

SOCIAL

Employment

The Group recognises and value contributions of every employees. The Group places a significant emphasis on developing human capital and provides competitive remuneration and welfare packages. Regular review on remuneration of employees is carried out in order to retain outstanding employees and attract external talents. In addition, the Group also recognises the importance of work-life balance and delivers a fair and safe working environment for employees to support their career advancement as well as their personal development.

The Group has not identified any material non-compliance of employment laws and regulations during the Year.

Health and Safety

The Group has adopted an occupational health and safety system as required by relevant occupational health and safety laws, rules and regulation and managed by our safety department for the benefit of its employees and its subcontractors' employees. The occupational health and safety of the Group has been implemented in compliance with the requirements of OHSAS 18001:2007 international standards.

The Group regards occupational health and safety as the top priority of our operation. In order to recognise the inherent risk in our daily operation, the Group conducts regular risk assessment as to provide our employees with a healthy and safe working environment. The Group has implemented related initiatives, included but not limited to (1) provide appropriate safety training and instructions generally and for use of new production methods and equipment; (2) offer equipment in compliance with the safety requirements; and (3) monitor and supervise compliance with our health and safety systems to ensure compliance with statutory and contractual requirements and consider and implement appropriate improvements to existing system.

The Group has not identified any material non-compliance of health and safety laws and regulations during the Year.

Development and Training

The Group values personal development of its staffs. The Group encourages long-term growth and career development by allocating sufficient resources to people development. Besides on-the-job training, employees are encouraged to participate in internal and external training and joining external technical seminars or top-up courses to strengthen their capacity, work skills, knowledge and professionalism.

In addition, the Group regularly provides safety and skill training. The Group also has correspondent requirements in place for our sub-contractors' employee safety management and clearly stated all special requirements in sub-contracts or letter of acceptance in order to address the need and emphasis on occupational safety and health.

Labour Standards

The Group always respects and strictly complies with all relevant labour laws and regulations in place, including the Employment Ordinance (Cap. 57 of the laws of Hong Kong). The Group understands that the employment of child and forced labour is strictly prohibited. The Group will review the identity information of job applicants during the recruitment process in order to prevent from illegally hiring child labour. The Group also has employment policies to protect the right of free choice of employment by any person and ensure that all the employment relationship is established on a voluntary basis.

The Group has not identified any material non-compliance of labour requirements during the Year.

Supply Chain Management

As suppliers and subcontractors have a direct impact on the Group's sustainability performance, the Group seeks to incorporate green practices in our procurement and construction activities, by taking into account in its selection process, their environmental and social performances, such as their choice of raw materials, use of natural resources, product health and safety, employment practices and occupational safety measures. The Group will conduct review of a supplier regularly to ensure the performance of the suppliers and subcontractors is under our satisfaction.

Product Responsibility

The Group recognises the correlation of customer satisfaction and our growth and profitability. The Group adopts international standards on quality control practices, including the ISO 9001:2008.

At operating level, the Group takes the responsibility for supervising the overall daily activities including those executed by its subcontractors in accordance with the construction programme. In addition, the Group regularly monitors and reviews the activities and project status.

We have not identified any material non-compliance of product and service quality laws and regulations during the Year.

Anti-corruption

The Group recognises the importance of anti-corruption practice to maintain our sustainability and confidence of our employees, clients, suppliers and other business partners. The Group strictly forbids any corruption, bribery, money-laundering and any other kind of business fraud. Employees and management are required to comply strictly with applicable laws relating to the above acts. Relevant messages are delivered to all staff through posters, internal memo or seminars.

During the Year, the Group was not aware of any material non-compliance in relation to business fraud laws and regulations.

Community investment

We encourage our employees to participate in social and community events and to volunteer for good causes. We will continue to shoulder the social responsibility by caring the community, employees and the environment in order to build a cohesive society.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in provision of foundation works and ancillary services, provision of construction wastes handling, investments in securities business and money lending business.

BUSINESS REVIEW

The business review and outlook of the Group for the Year are set out in the section headed "Management Discussion and Analysis" on pages 4 to 14 of this annual report.

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.

KEY RISKS AND UNCERTAINTIES

The Group's financial condition, results of operation, business and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group:

The Group has a concentrated customer base and any decrease in the number of projects with the Group's top five customers would adversely affect the Group's operations and financial results

A significant portion of the Group's revenue was derived from a small number of customers during the two financial years ended 31 March 2017. The Group's top five customers' revenue contribution for the Year was approximately 74.3% (2016: 74.7%) of our revenue, while the Group's largest customer accounted for approximately 21.5% (2016: 18.1%) of our revenue. The Group did not enter into any long-term service agreement or master service agreement with its customers. Furthermore, the Group's service contracts for all foundation works and ancillary services projects and construction wastes handling projects are on a project-by-project basis. As such, there is no assurance that the Group will be able to retain its customers upon expiry of the contract period or that they will maintain their current level of business with the Group in the future. If there is a significant decrease in the number of projects or size of projects in terms of contract sums awarded by the Group's top five customers to the Group for whatever reasons, and if the Group is unable to obtain suitable projects of a comparable size and quantity as replacement, the Group's financial conditions and operating results would be materially and adversely affected. Besides, if any of the Group's top five customers experiences any liquidity problem, it may result in delay or default in settling progress payments to the Group, which in turn will have an adverse impact on its cash flows and financial conditions. The Group cannot guarantee that it will be able to diversify its customer base by obtaining significant number of new projects from its existing and potential customers.

The Group determines the price of its tender or quotation based on the estimated time and costs to be involved in a project, yet the actual time and costs incurred may deviate from the Group's estimate due to unexpected circumstances, thereby adversely affecting its operations and financial results

The Group determines the price of tender or quotation based on its cost estimate plus a certain mark-up margin. The actual time and costs incurred by the Group, however, may be adversely affected by various factors, including (i) the specifications, underground conditions and difficulties of the potential project; (ii) the duration of the potential project; (iii) the site location and the conditions and adjacent risk of building structures nearby; (iv) the resource availability; and (v) our previous experience with the customer. Significant changes in any of these or other relevant factors may lead to delay in completion or costs overrun by the Group, and there is no assurance that the actual time and costs incurred by the Group would match its initial estimate. Such delays, cost overruns or mismatch of actual time and costs with the Group's estimates may cause its profitability to be lower than what the Group expected or may expose it to litigation or claims from customers in case of delays. The Group normally sets an extra mark-up margin on top of its estimated costs to cater to the possible unfavourable factors above, yet too high a margin may render the Group's tender or quotation uncompetitive. There is no assurance that the Group will always be able to price its tender or quotation competitively, and if the Group fails to do so, its customers may opt for the Group's competitors, thereby resulting in a decrease in the number of projects awarded to the Group. Even if such a mark-up margin is accepted and agreed by the Group's customer, there can be no assurance that the Group can be fully compensated for the occurrence of the unfavourable factors above. This would adversely affect the Group's operations and financial results. Meanwhile, if the mark-up margin set by the Group is too low, the gross profits may not be able to cover other potential loss arising from any unfavourable circumstances during project implementation. The Group's profitability in the project would hence be adversely and materially affected.

PROPERTY, PLANT AND EQUIPMENT

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

INVESTMENT PROPERTIES

Details of the investment properties of the Group acquired during the Year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the Year in the share capital of the Company are set out in note 22 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.

As at 31 March 2017, the Company has reserves available of approximately HK$292,572,000 (as at 31 March 2016: approximately HK$129,939,000).

DIRECTORS

The Directors who held office during the Year and up to the date of this annual report were:

Executive Directors

Mr. Ip Ying Chau *(Chairman)*
Mr. Chan Wing Chung
Ms. Tung Ah Pui Athena
Mr. Chan Chiang Kan
Mr. Mui Wai Sum
Mr. Yip To Chun (appointed on 12 July 2017)

Independent Non-executive Directors

Mr. Cheung Kwok Yan Wilfred
Mr. Feng Zhidong
Professor Ho Ho Ming

DIRECTORS' SERVICE CONTRACT

As at 31 March 2017, none of the Directors, including those to be re-elected at the forthcoming annual general meeting, has a service contract which is not determinable by the Group within one year without the payment of compensation (other than statutory compensation).

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 ended 31 March 2017.

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

As at 31 March 2017, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which, pursuant to section 352 of the SFO, have been entered in the register referred to therein, or have been, pursuant to the Model Code, notified to the Company and the Stock Exchange were as follows:

(i) Long position in the Shares

Name of Director	Capacity/Nature	Position (Long/Short)	Number of Shares held/interested	Percentage of interest
Chan Wing Chung	Interest of a controlled corporation (Note 1)	Long	1,176,000,000	44.70%
Ip Ying Chau	Interest of a controlled corporation (Note 1)	Long	1,176,000,000	44.70%
Tung Ah Pui Athena	Interest of spouse (Note 2)	Long	1,176,000,000	44.70%

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

Name of Director	Name of associated corporation	Capacity/Nature	Position (Long/Short)	Number of Shares held/ interested	Percentage of interest
Chan Wing Chung	Grand Jade	Beneficial owner	Long	1	50%
Ip Ying Chau	Grand Jade	Beneficial owner	Long	1	50%
Tung Ah Pui Athena	Grand Jade	Interest of spouse (Note 2)	Long	1	50%

Notes:

1. These Shares are held by Grand Jade Group Limited ("**Grand Jade**"), the entire issued share capital of which is owned as to 50% by Mr. Chan Wing Chung and 50% by Mr. Ip Ying Chau. Therefore, each of Mr. Chan Wing Chung and Mr. Ip Ying Chau is deemed, or taken to be, interested in all Shares held by Grand Jade for the purpose of the SFO.

2. Ms. Tung Ah Pui Athena is the spouse of Mr. Ip Ying Chau. Accordingly, Ms. Tung Ah Pui Athena is deemed, or taken to be, interested in the Shares which Mr. Ip Ying Chau is interested in for the purpose of the SFO.

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

As at 31 March 2017, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interest or short position in Shares or underlying Shares which fell to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Capacity/Nature	Position (Long/Short)	Number of Shares held/interested	Percentage of interest
Grand Jade	Beneficial owner	Long	1,176,000,000	44.70%
Chan Lai Ting	Interest of spouse (Note)	Long	1,176,000,000	44.70%

Note:

Ms. Chan Lai Ting is cohabiting with Mr. Chan Wing Chung as spouse. Accordingly, Ms. Chan Lai Ting is deemed, or taken to be, interested in the Shares which Mr. Chan Wing Chung is interested in for the purpose of the SFO.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the Year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance, to which the Company any of its subsidiaries, its parent company, or its parent company's subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, whether directly and indirectly, subsisted as at 31 March 2017 or any time during the Year, nor was there any other transaction, arrangement or contract of significance in relation to the Group's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

PERMITTED INDEMNITY PROVISIONS

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

The Company has maintained appropriate directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors currently in force.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the aggregate purchases attributable to the Group's largest supplier and the five largest suppliers in aggregate accounted for 14.4% and 37.0% respectively of the Group's total purchases for the Year. Revenue attributable to the Group's largest customer and the five largest customers in aggregate accounted for 21.5% and 74.3% respectively of the Group's total revenue for the Year.

None of the Directors or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any material beneficial interest in the Group's five largest customers and suppliers.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHERS

Employees

The Group recognises employees as its valuable assets. The Group provides competitive remuneration package to attract, motivate and retain appropriate and suitable personnel to serve the Group. The Group has also adopted an annual review system to assess the performance of its staff, which forms the basis of the Group's decisions with respect to salary raises and promotions.

Customers

A majority of the Group's five largest customers have long-standing business relationship with the Group for over two years and the Group will therefore endeavor to accommodate their demands for the Group's services to the extent its resources allow in order to capture more opportunities for larger scale projects in the future. The Group's experience as a quality subcontractor in handling foundation works and construction wastes handling projects also give business advantage to the Group's customers to ensure projects are executive in accordance with their quality standard.

Suppliers and subcontractors

The Group encompasses working relationships with suppliers and subcontractors to meet the Group's customers' needs in an effective and efficient manner. The Group has set up an approved list of suppliers and it selects the suppliers from the list based on the quality of materials, timeliness of delivery, previous experience and length of partnership with the supplier, competitiveness of the price offered and reputation of the supplier.

Subject to the Group's capacity, resources level, types of construction works, cost effectiveness and complexity of the projects, the Group may subcontract certain works to other subcontractors. The Group maintains an internal list of approved subcontractors and carefully evaluate the performance of its subcontractors and selects them based on the experience, quality of works, timeliness of completion for past projects, reputation in the industry, past performances, cost and the Group's relationship with them.

SUFFICIENCY OF PUBLIC FLOAT

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

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

No purchase, sale or redemption of the Company's listed securities was made during the Year and up to the date of this report.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Year, the Directors were not aware of any business or interest of the Directors or any substantial shareholder (as defined under the Listing Rules) of the Company and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group save as disclosed below.

Name of Director	Name of entity which is considered to compete or likely to compete with the business of the Group	Description of business	Nature of interests
Ho Ho Ming	KSL Holdings Limited (Stock Code: 8710)	Principally engaged in the provision of engineering consulting, contracting and project management services in Hong Kong with a focus on geotechnical engineering works	Independent non-executive director (Resigned 1 January 2017)
	Wan Kei Group Holdings Limited (Stock Code: 1718)	Principally engaged in the provision of foundation works and ground investigation field works in Hong Kong	Independent non-executive director (Resigned 1 March 2017)
	Kwan On Holdings Limited (Stock Code: 1559, previous stock code: 8305)	Principally engaged in the provision of construction and maintenance works on civil engineering contracts in respect of buildings, waterworks, site formation, road works and drainage and slope upgrading in Hong Kong.	Independent non-executive director
Cheung Kwok Yan Wilfred	Chun Sing Engineering Holdings Limited (Stock Code: 2277)	Principally engaged in the foundation and substructure construction business in Hong Kong	Independent non-executive director (Resigned 10 June 2016)

On 17 August 2015, the Group and each of Mr. Ip Ying Chau, Mr. Chan Wing Chung and Grand Jade (the "**Covenantors**") has executed a deed of non-competition (the "**Deed of Non-competition**"), pursuant to which they have irrevocably and unconditionally undertaken to the Company (for itself and for the benefit of each other member of the Group). Details are set out in the section headed "Relationship with our controlling shareholders – Non-Competition Undertaking" in the Prospectus.

Each of the Covenantors declared that they have complied with the Deed of Non-competition. The independent non-executive Directors have conducted such review for the Year and also reviewed the relevant undertakings and are satisfied that the Deed of Non-competition has been fully complied.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Year, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") with effect from the Listing Date. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The main purpose of the Share Option Scheme is to motivate employees to optimise their performance efficiency for the benefit of the Company. No options had been granted under the Share Option Scheme during the Year. During the Year and up to the date of this report, no option has been granted, exercised, cancelled or lapsed. As at the date of this report, the total number of shares available for issue under the Share Option Scheme was 526,200,000, representing 10% of the entire issued share capital of the Company. Details of the Share Option Scheme are set out in note 23 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report relating to the Share Option Scheme, no equity-linked agreements were entered into for the Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association and the laws of Cayman Islands.

RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes are set out in note 8 to the consolidated financial statements.

DONATIONS

For the Year, the Group made charitable and other donations amounting to approximately HK$495,000.

CONFIRMATION OF INDEPENDENCE BY INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent.

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of our Group are set out in note 9 to the consolidated financial statements.

EMOLUMENT POLICY

Remuneration Committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

The Company has adopted share option schemes as incentive to eligible employees, details of the schemes are set out in the section headed "Share Option Schemes".

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the Year, there were no connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules. Details of significant related party transactions undertaken in the usual course of business are set out in note 29 to the consolidated financial statement. None of these related party transactions constitute a discloseable connected transaction as defined under the Listing Rules.

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" on pages 19 to 32 of this annual report.

FINAL DIVIDEND

The Board has resolved not to declare any final dividend for the Year (2016: Nil).

AUDITORS

HLB Hodgson Impey Cheng Limited has acted as the auditors of the Company for the Year. A resolution for their re-appointment as auditors for the coming year will be proposed at the forthcoming annual general meeting.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group's operations at work sites are subject to certain environmental requirements pursuant to the laws in Hong Kong. The laws and regulations which have a significant impact on the Group include, among others, Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Chapter 311Z of the Laws of Hong Kong), Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong), Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), Disposal (Charges for Disposal of Construction Waste) Regulation, Dumping at Sea Ordinance (Chapter 466 of the Laws of Hong Kong, Environmental Impact Assessment Ordinance (Chapter 499 of the Laws of Hong Kong) and Boilers and Pressure Vessels Ordinance (Chapter 56 of the Laws of Hong Kong).

In order to comply with the applicable environmental protection laws, we had implemented an environmental management system which was certified to be in compliance with the standard required under ISO 14001:2004. Apart from following the environmental protection policies formulated and required by our customers, we have also established our environmental management policy to ensure proper management of environmental protection and compliance of environmental laws and regulations by both our employees and workers of the subcontractors on among others, air pollution, noise control and waste disposal.

During the Year, our Group did not record any non-compliance with applicable environmental requirements that resulted in prosecution or penalty being brought against our Group.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year, there was no material breach or non-compliance with the applicable laws and regulations that have a significant impact on the Group.

EVENTS AFTER THE REPORTING PERIOD

Share Subdivision

On 9 March 2017, the Board proposed that each of the existing issued and unissued shares of HK$0.010 each in the share capital of the Company be subdivided into two shares of HK$0.005 each. An ordinary resolution to approve the share subdivision has been passed by the shareholders of the Company at the extraordinary general meeting held on 21 April 2017. Upon the share subdivision having become effective on 24 April 2017 and as at the date of this report, the Company's authorised share capital was HK$100,000,000 divided into 20,000,000,000 ordinary shares of HK$0.005 each, of which 5,262,000,000 were in issued and fully paid. For details, please refer to the Company's announcements dated 9 March 2017, 20 March 2017, 29 March 2017 and 21 April 2017 and the Company's circular dated 3 April 2017.

On behalf of the Board

Ip Ying Chau
Chairman and Chief Executive Officer

21 June 2017

HLB 國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE MEMBERS OF
LEAP HOLDINGS GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of LEAP Holdings Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 51 to 111, 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, the consolidated statement of changes in equity and the 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 the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgement, 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 (Continued)

Key audit matter	How our audit addressed the key audit matter
Recognition of revenue and costs from construction contracts and gross amounts due from/to customers for contract work	
We identified recognition of revenue and costs from construction contracts and gross amounts due from/to customers for contract work as a key audit matter as significant management's estimations and judgements are involved in the determination of the outcome of construction contracts and the percentage of completion.	Our audit procedures in relation to recognition of revenue and costs from construction contracts and gross amounts due from/to customers for contract work mainly included: • Reviewing the contract sum and budgeted costs to respective signed contracts and budgets prepared by management; • Understanding from management about how the budgets were prepared and the respective stage of completion were determined; • Evaluating the reasonableness of percentage of completion by obtaining the certificates issued by customers or payment applications confirmed by internal surveyor; • Testing the actual costs incurred on construction works; • Assessing the reasonableness of the budgets by comparing the actual outcome against management's estimation of similar contracts; and • Checking the gross amounts due from/to customers for contract work by agreeing the actual costs incurred and the progress billings issued to customers.

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 auditors' 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.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure 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.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITORS' 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 auditors' report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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 judgement and maintain professional scepticism 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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- 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 auditors' 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 auditors' 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 the Audit Committee 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 the Audit Committee 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 the Audit Committee, 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 auditors' 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 director on the audit resulting in this independent auditors' report is Lo Kin Kei.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Lo Kin Kei
Practising Certificate Number: P06413

Hong Kong, 21 June 2017

	Note	2017 HK$'000	2016 HK$'000
Revenue	5	**353,038**	399,277
Cost of sales		**(312,746)**	(328,830)
Gross profit		**40,292**	70,447
Other income, gains and losses	5	**5,155**	892
Fair value change on investment properties		**(834)**	–
Administrative and other operating expenses		**(29,543)**	(32,562)
Operating profit		**15,070**	38,777
Finance costs	6	**(1,037)**	(1,079)
Profit before income tax	7	**14,033**	37,698
Income tax expense	10	**(5,674)**	(8,473)
Profit and total comprehensive income for the year attributable to owners of the Company		**8,359**	29,225
			(Restated)
Basic and diluted earnings per share	11	**HK cent 0.17**	HK cent 0.67

Details of dividends are disclosed in Note 13 to the consolidated financial statements.

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Note	2017 HK$'000	2016 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**62,718**	62,261
Investment properties	15	**21,300**	–
Intangible assets	16	**430**	–
		84,448	62,261
Current assets			
Trade and other receivables	18	**152,829**	119,105
Gross amounts due from customers for contract work	19	**43,891**	26,363
Financial assets at fair value through profit or loss	20	**82,571**	–
Tax recoverable		**14**	–
Cash and cash equivalents (excluding bank overdrafts)	21	**52,061**	50,251
		331,366	195,719
Total assets		**415,814**	257,980
EQUITY			
Capital and reserves			
Share capital	22	**26,310**	22,880
Reserves		**318,750**	143,581
Total equity		**345,060**	166,461
LIABILITIES			
Non-current liabilities			
Borrowings	24	**4,333**	14,046
Deferred tax liabilities	25	**5,848**	5,787
		10,181	19,833

	Note	2017 HK$'000	2016 HK$'000
Current liabilities			
Trade and other payables	26	**29,287**	36,405
Gross amounts due to customers for contract work	19	**431**	16,544
Borrowings	24	**29,888**	15,823
Current income tax liabilities		**967**	2,914
		60,573	71,686
Total liabilities		**70,754**	91,519
Total equity and liabilities		**415,814**	257,980
Net current assets		**270,793**	124,033
Total assets less current liabilities		**355,241**	186,294

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 21 June 2017 and signed on its behalf by:

Mr. Ip Ying Chau
Director

Mr. Mui Wai Sum
Director

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2017

	Attributable to owners of the Company					
	Share capital HK$'000 *(Note 22)*	**Share premium** HK$'000	**Capital reserve** HK$'000 *(Note a)*	**Merger reserve** HK$'000 *(Note b)*	**Retained earnings** HK$'000	**Total equity** HK$'000
Balance at 1 April 2015	1	-	-	-	86,176	86,177
Profit and total comprehensive income for the year	-	-	-	-	29,225	29,225
	1	-	-	-	115,401	115,402
Dividends paid	-	-	-	-	(25,000)	(25,000)
Reorganisation	(1)	-	-	1	-	-
Shares issued pursuant to the capitalisation issue	20,020	(20,020)	-	-	-	-
Shares issued under share offer	2,860	68,640	-	-	-	71,500
Shares issuance costs	-	(3,363)	-	-	-	(3,363)
Deemed capital contribution	-	-	7,922	-	-	7,922
Balance at 31 March 2016	22,880	45,257	7,922	1	90,401	166,461
Balance at 1 April 2016	**22,880**	**45,257**	**7,922**	**1**	**90,401**	**166,461**
Profit and total comprehensive income for the year	**-**	**-**	**-**	**-**	**8,359**	**8,359**
	22,880	**45,257**	**7,922**	**1**	**98,760**	**174,820**
Shares issued under placing	**3,430**	**171,570**	**-**	**-**	**-**	**175,000**
Shares issuance costs	**-**	**(4,760)**	**-**	**-**	**-**	**(4,760)**
Balance at 31 March 2017	**26,310**	**212,067**	**7,922**	**1**	**98,760**	**345,060**

Notes:

a. The capital reserve represents the deemed capital contribution from the Company's shareholder, Grand Jade Group Limited ("Grand Jade"), in relation to listing expenses reimbursed to the Company in prior years.

b. The merger reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the Reorganisation (as defined in Note 1 to the consolidated financial statements).

The accompanying notes form an integral part of these consolidated financial statements.

	Note	2017 HK$'000	2016 HK$'000
Cash flows from operating activities			
Net cash (used in)/generated from operations	27	**(125,165)**	5,269
Income tax paid		**(7,574)**	(16,813)
Interest paid on bank overdrafts		**(10)**	(127)
Dividend received		**576**	-
Net cash used in operating activities		**(132,173)**	(11,671)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**11,548**	2,535
Purchases of property, plant and equipment		**(20,254)**	(18,534)
Purchases of investment properties		**(11,047)**	-
Acquisition of subsidiaries, net of cash acquired	31	**(9,830)**	-
Interest received		**1**	58
Net cash used in investing activities		**(29,582)**	(15,941)
Cash flows from financing activities			
Net proceeds from share offer		**-**	68,137
Proceeds from placing of shares		**175,000**	-
Shares issuance costs		**(4,760)**	-
Proceeds from deemed capital contribution		**-**	7,922
Dividends paid to a shareholder	13	**-**	(10,148)
Inception of finance leases		**-**	6,840
Repayment of finance leases		**(15,831)**	(9,856)
Drawdown of bank borrowings		**10,000**	-
Repayment of bank borrowings		**(275)**	(2,236)
Interest paid on finance leases		**(805)**	(902)
Interest paid on bank borrowings		**(222)**	(50)
Net cash generated from financing activities		**163,107**	59,707
Net increase in cash and cash equivalents		**1,352**	32,095
Cash and cash equivalents at beginning of year		**50,251**	18,156
Cash and cash equivalents at end of year		**51,603**	50,251
Analysis of cash and cash equivalents			
Cash at banks	21	**47,205**	50,228
Cash held with brokers	21	**4,834**	-
Cash on hand	21	**22**	23
Bank overdrafts	24	**(458)**	-
		51,603	50,251

The accompanying notes form an integral part of these consolidated financial statements.

1 GENERAL INFORMATION AND BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands on 15 May 2015 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 2 September 2015. Its parent and ultimate holding company is Grand Jade, a company incorporated in the British Virgin Islands ("BVI") and wholly-owned by Mr. Chan Wing Chung ("Mr. Chan") and Mr. Ip Ying Chau ("Mr. Ip"), the controlling shareholders of the Company.

The address of the Company's registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands and the Company's principal place of business is Units 2701-02, 27th Floor, Win Plaza, 9 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong. The Company is an investment holding company. The Group is principally engaged in provision of foundation works and ancillary services, construction wastes handling, investments in securities and money lending business.

Prior to the corporate reorganisation undertaken in preparation for the listing of the Company's shares on the Main Board of the Stock Exchange (the "Reorganisation"), the group entities were under the control of Mr. Chan and Mr. Ip. Through the Reorganisation, the Company became the holding company of the companies now comprising the Group on 23 July 2015. Accordingly, for the purpose of the preparation of the consolidated financial statements of the Group, the Company has been considered as the holding company of the companies now comprising the Group throughout the years presented. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. The Group was under the control of Mr. Chan and Mr. Ip prior to and after the Reorganisation.

The consolidated financial statements have been prepared as if the Company had been the holding company of the Group throughout the years presented in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years presented, which include the results, changes in equity and cash flows of the companies now comprising the Group, have been prepared as if the current group structure had been in existence throughout the years presented, or since their respective dates of incorporation where this is a shorter period.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 21 June 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("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 Main Board of the Stock Exchange and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies below.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

2.1.1 Changes in accounting policy and disclosures

(a) *New and amended standards adopted by the Group*

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2016:

HKAS 1 (Amendment)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer Plants
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2012-2014 Cycle

The adoption of the above new and amended standards did not have any significant impact on the consolidated financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) New standards and interpretations not yet adopted

The following are new standards, amendments and interpretations that have been issued but not yet effective for the annual accounting period beginning 1 April 2016 and have not been early adopted by the Group:

		Effective for the accounting periods beginning on or after
HKAS 7 (Amendment)	Disclosure Initiative	1 January 2017
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
HKAS 40 (Amendment)	Transfers of Investment Property	1 January 2018
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2014-2016 Cycle	1 January 2017 or 1 January 2018 as appropriate
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 (Amendment)	Clarifications to HKFRS 15	1 January 2018
HKFRS 16	Leases	1 January 2019
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) New standards and interpretations not yet adopted (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) New standards and interpretations not yet adopted (Continued)

HKFRS 16 Leases (Continued)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

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.

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.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

Except for the Reorganisation, the Group uses the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the recognised amount of the acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(b) *Transaction with non-controlling interests*

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchase of non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss account.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Merger accounting for common control combinations

The consolidated financial statements incorporates the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest. The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the previous reporting period or when they first came under common control, whichever is shorter.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

2.5 Foreign currency translation

(a) Functional and presentation currency

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

Foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of that reporting period;

(ii) income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income.

2.6 Property, plant and equipment

Leasehold land classified as finance lease and all other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Property, plant and equipment (Continued)

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives or lease term, where applicable, as follows:

– Land and buildings	Over shorter of remaining lease term or 50 years
– Leasehold improvements	Over relevant lease term
– Furniture, fixtures and office equipment	20%
– Machinery and equipment	20%
– Motor vehicles	20%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of profit or loss and other comprehensive income.

2.7 Investment property

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated statement of profit or loss and other comprehensive income as part of a valuation gain or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets

Separately acquired intangible assets are shown at historical cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Intangible assets have a finite useful lives are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of intangible assets over their estimated useful lives.

2.9 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are charged to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments.

When a sale and leaseback results in a finance lease, any gain on sale is deferred and recognised as an income over the lease term. Any loss on sale is immediately recognised as an impairment loss when the sale occurs.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other short-term and other long-term payables. The interest element of the finance cost is charged to the consolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Construction contracts

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The Group uses the "percentage-of-completion method" to determine the appropriate amount of revenue to recognise in a given period. The stage of completion is measured by reference to work performed to date as a percentage of total contract value.

On the consolidated statement of financial position, the Group reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

2.12 Financial assets

2.12.1 Classification

The Group classifies its financial assets as financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalent (excluding bank overdrafts)" in the consolidated statement of financial position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial assets (Continued)

2.12.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the statement of profit or loss within "Revenue" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss as part of "Revenue" when the Group's right to receive payments is established.

2.13 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the 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. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Trade and other receivables

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

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

2.15 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, cash held with brokers, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (if any).

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Borrowing costs

General and specific 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences, arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax liabilities are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred taxation liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Employee benefits

(i) Employee leave entitlements

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

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

(ii) Retirement benefits

The Group operates a defined contribution plan and pays contributions to a privately administered pension insurance plan on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of each reporting period are discounted to present value.

(iv) Bonus plans

The Group recognises a liability and an expense for bonuses when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of such obligation can be made.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amounts have been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as interest expense.

2.23 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resource will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Revenue recognition

Revenue comprises the fair value of the consideration received or receivables for the sale of services in the ordinary course of the Group's activities. Revenue is shown after eliminating sales within the Group.

(a) Foundation works and ancillary services income

Revenue from construction contracts is recognised based on the stage of completion of the contracts as detailed in note 2.11 above.

(b) Construction wastes handling services income

Revenue from provision of construction wastes handling services are recognised on completion of the related services rendered to the customer.

(c) Interest income

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

(d) Rental income

Rental income from lease of property and machinery is recognised based on the straight-line basis over the lease terms.

2.25 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss and other comprehensive income over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss and other comprehensive income by way of a reduced depreciation charge.

2.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are declared by the directors in case of interim dividends or approved by the Company's shareholders in case of final dividends.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Related Parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

(i) has control or joint control of the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group.

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities exposed it to a variety of financial risks: interest rate risk, credit risk, price risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(i) Interest rate risk

Other than bank balances with variable interest rate, the Group has no other significant interest-bearing assets. Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

The Group's interest rate risk arises from borrowings. Borrowings obtained with variable rates expose the Group to cash flow interest rate risk which is partially offset by cash deposited at variable rates. The Group has not hedged its cash flow interest rate risks.

As at 31 March 2017, if the interest rate on all variable-rate borrowings had been 100 basis points higher/lower with all other variables held constant, the Group's profit after income tax for the year would have been decreased/increased by approximately HK$181,000 (2016: HK$179,000), mainly as a result of higher/lower interest expense on borrowings with floating interest rates.

(ii) Credit risk

Credit risk arises mainly from trade and other receivables and cash and cash equivalents (excluding bank overdrafts). The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at the reporting dates in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The credit risk of bank balances is limited because the counterparties are banks with sound credit ratings assigned by international credit-rating agencies.

In respect of trade and other receivables, individual credit evaluations are performed on all customers and counterparties. These evaluations focus on the counterparty's financial position, past history of making payments and take into account information specific to the counterparty as well as pertaining to the economic environment in which the counterparty operates. Monitoring procedures have been implemented to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and other receivable balance at the end of each reporting period to ensure adequate impairment losses are made for irrecoverable amounts.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(ii) Credit risk (Continued)

As at 31 March 2017, there were four (2016: three) customers which individually contributed over 10% of the Group's trade and other receivables. The aggregate amounts of trade and other receivables from these customers amounted to 57% (2016: 56%) of the Group's total trade and other receivables as at 31 March 2017.

(iii) Price risk

The Group is exposed to securities price risk because certain investments held by the Group are classified in the consolidated statement of financial position as financial assets at fair value through profit or loss as at 31 March 2017.

As at 31 March 2017, if the quoted price of the financial assets at fair value through profit or loss had appreciated/depreciated by 10% with all other variables held constant, the Group's profit after income tax for the year would have been approximately HK$6,895,000 higher/lower as a result of gains/losses on change in fair value of the financial assets at fair value through profit or loss.

(iv) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with debt covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks and other financial institutions to meet their liquidity requirements in the short and long term. Management believes there is no significant liquidity risk as the Group has sufficient committed facilities to fund their operations.

The following table details the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current rates at the end of each reporting period) and the earliest date the Group may be required to pay:

	On demand or within one year HK$'000	Between one and two years HK$'000	Between two and five years HK$'000	Total HK$'000
At 31 March 2017				
Trade and other payables	29,287	–	–	29,287
Finance lease liabilities	9,096	4,318	98	13,512
Borrowings (excluding finance lease liabilities)	21,940	–	–	21,940
	60,323	4,318	98	64,739

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(iv) Liquidity risk (Continued)

	On demand or within one year HK$'000	Between one and two years HK$'000	Between two and five years HK$'000	Total HK$'000
At 31 March 2016				
Trade and other payables	36,405	–	–	36,405
Finance lease liabilities	15,688	10,858	3,548	30,094
Borrowings (excluding finance lease liabilities)	912	–	–	912
	53,005	10,858	3,548	67,411

3.2 Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, to support the Group's stability and growth; to earn a margin commensurate with the level of business and market risks in the Group's operations and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the total interest-bearing liabilities as at each year end divided by the total equity as at each year end.

The gearing ratios of the Group are as follows:

	2017 HK$'000	2016 HK$'000
Total borrowings *(Note 24)*	**34,221**	29,869
Total equity	**345,060**	166,461
Gearing ratio	**10%**	18%

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 March 2017 and 2016 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 31 March 2017	**Level 1 HK$'000**	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
Assets				
Financial assets at fair value through profit or loss				
– Listed equity securities	**82,571**	**–**	**–**	**82,571**

As at 31 March 2016	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Assets				
Financial assets at fair value through profit or loss				
– Listed equity securities	–	–	–	–

There were no transfers between levels during the year.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity investments listed in Hong Kong Stock market classified as trading securities.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimates fair value of investment property

The fair value of investment property is determined by using valuation technique. Details of the judgement and assumptions have been disclosed in Note 15.

(b) Impairment of receivables

Management determines the provision for impairment of trade and other receivables. This estimate is based on the credit history of its customers and the current market condition. Management reassesses the provision at the end of each financial period.

Significant judgement is exercised on the assessment of the collectability of receivables from each customer. In making the judgement, management considers a wide range of factors such as results of follow-up procedures, customer payment trends including subsequent payments and customers' financial positions. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(c) Percentage of completion of construction works

The Group recognises its contract revenue according to the percentage of work performed to date of the individual contract of construction works as a percentage of total contract value. Because of the nature of the activity undertaken in construction contracts, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting period. The Group reviews and revises the estimates of contract revenue, contract costs and variation orders prepared for each construction contract as the contract progresses. Management regularly reviews the progress of the contracts and the corresponding costs of the contract revenue.

The Group reviews and revises the estimates of contract revenue, contract costs, variation orders and contract claims prepared for each construction contract as the contract progresses. Budgeted construction costs are prepared by the management on the basis of quotations from time to time provided by the major contractors, suppliers or vendors involved and the experience of the management. In order to keep the budget accurate and up-to-date, management conducts periodic reviews of the budgets of contracts by comparing the budgeted amounts to the actual amounts incurred. Such significant estimate may have impact on the profit recognised in each period.

5 REVENUE AND SEGMENT INFORMATION

Revenue and other income, gains and losses recognised during the year are as follows:

	2017 HK$'000	2016 HK$'000
Revenue		
Foundation works and ancillary services	262,287	330,953
Rental income from lease of machinery	2,183	1,131
Construction wastes handling	62,168	67,193
Fair value change on investments in securities		
– Realised change	21,069	–
– Unrealised change	2,542	–
Dividend income from investments in securities	576	–
Interest income from money lending business	2,213	–
	353,038	399,277
Other income, gains and losses		
Rental income from lease of investment properties	309	–
Interest income	88	148
Gain/(Loss) on disposal of property, plant and equipment	3,060	(406)
Government grants *(Note)*	1,221	449
Recovery of bad debts	–	253
Others	477	448
	5,155	892

Note: There are no unfulfilled conditions or contingencies relating to these grants.

5 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information

Management has determined the operating segments based on the reports reviewed by the directors of the Company, the chief operating decision-maker, that are used to make strategic decisions. The directors consider the business from a product/service perspective. Principal activities of the segments are as follows:

(a) Foundation works and ancillary services: Provision of site formation works, excavation and lateral support, piling construction, pile caps or footing construction and reinforced concrete structure works and ancillary services mainly included hoarding and demolition works and lease of machinery.

(b) Construction wastes handling: Provision of management and operation of public fill reception facilities, including public fill banks and temporary construction waste sorting facilities, for construction and demolition materials.

(c) Investments in securities.

(d) Money lending.

Segment revenue is measured in a manner consistent with that in the consolidated statements of profit or loss and other comprehensive income.

The directors assess the performance of the operating segments based on a measure of segment results. Unallocated income, fair value change on investment properties, unallocated corporate expenses, finance costs, income tax expense and other major items that are isolated and non-recurring in nature are not included in segment results.

Segment assets mainly consist of current assets and non-current assets as disclosed in the consolidated statement of financial position except investment properties, unallocated cash and cash equivalents (excluding bank overdrafts) and other unallocated assets.

Segment liabilities mainly consist of current liabilities and non-current liabilities as disclosed in the consolidated statement of financial position except current income tax liabilities, deferred tax liabilities, borrowings and other unallocated liabilities.

5 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

	Foundation works and ancillary services HK$'000	Construction wastes handling HK$'000	Investments in securities HK$'000	Money lending HK$'000	Total HK$'000
Year ended 31 March 2017					
Revenue					
External revenue	264,470	62,168	24,187	2,213	353,038
Segment results	7,938	6,058	24,083	2,213	40,292
Unallocated income					5,155
Fair value change on investment properties					(834)
Unallocated corporate expenses					(29,543)
Finance costs					(1,037)
Profit before income tax					14,033
Income tax expense					(5,674)
Profit for the year					8,359
Included in segment results are:					
Depreciation	12,748	5,994	–	–	18,742
At 31 March 2017					
Segment assets	194,015	13,073	92,127	68,020	367,235
Unallocated assets					48,579
Total assets					415,814
Additions to non-current asset:					
Segment assets	8,074	3,511	–	430	12,015
Unallocated assets					39,174
					51,189
Segment liabilities	23,605	333	–	–	23,938
Unallocated liabilities					5,780
Borrowings					34,221
Current income tax liabilities					967
Deferred tax liabilities					5,848
Total liabilities					70,754

5 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

	Foundation works and ancillary services HK$'000	Construction wastes handling HK$'000	Investments in securities HK$'000	Money lending HK$'000	Total HK$'000
Year ended 31 March 2016					
Revenue					
External revenue	332,084	67,193	–	–	399,277
Segment results	61,424	9,023	–	–	70,447
Unallocated income					892
Unallocated corporate expenses					(32,562)
Finance costs					(1,079)
Profit before income tax					37,698
Income tax expense					(8,473)
Profit for the year					29,225
Included in segment results are:					
Depreciation	13,224	3,476	–	–	16,700
At 31 March 2016					
Segment assets	233,096	17,522	–	–	250,618
Unallocated assets					7,362
Total assets					257,980
Additions to non-current asset:					
Segment assets	30,411	1,685	–	–	32,096
Unallocated assets					256
					32,352
Segment liabilities	48,815	2,948	–	–	51,763
Unallocated liabilities					1,186
Borrowings					29,869
Current income tax liabilities					2,914
Deferred tax liabilities					5,787
Total liabilities					91,519

5 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. The Group's major operations and markets are located in Hong Kong, no geographical segment information is provided.

Information about major customers

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

	2017 HK$'000	2016 HK$'000
Customer A[2]	N/A[3]	41,134
Customer B[2]	N/A[3]	71,267
Customer C[2]	53,078	72,296
Customer D[2]	N/A[3]	45,783
Customer E[1 and 2]	63,225	67,966
Customer F[2]	52,373	N/A[3]
Customer G[2]	75,763	N/A[3]

1 Revenue from construction wastes handling.
2 Revenue from foundation works and ancillary services.
3 The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6 FINANCE COSTS

	2017 HK$'000	2016 HK$'000
Interest on finance leases	805	902
Interest on bank overdrafts, bank borrowings and other borrowing	232	177
	1,037	1,079

7 PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	2017 HK$'000	2016 HK$'000
Auditors' remuneration		
– Current year	**950**	880
– Overprovision in prior year	**–**	(70)
	950	810
Staff costs, including directors' emoluments *(Note 8)*	**68,595**	96,419
Depreciation *(Note 14)*	**19,555**	17,132
Operating lease rental on premises	**1,165**	1,302
Direct operating expenses arising from investment properties that generate rental income	**15**	–

8 EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

	2017 HK$'000	2016 HK$'000
Salaries and allowances	**66,431**	92,599
Retirement scheme contributions		
– defined contribution plan	**2,164**	3,820
	68,595	96,419

The Group operates a defined contribution scheme in Hong Kong which complies with the requirements under the Mandatory Provident Fund ("MPF") Schemes Ordinance. All assets under the scheme are held separately from the Group under independently administered funds. Contributions to the MPF scheme follow the MPF Schemes Ordinance.

9 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive for the year ended 31 March 2017 is set out below:

	Fee HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Employer's contribution to a retirement scheme HK$'000	Total HK$'000
Year ended 31 March 2017					
Executive directors					
Mr. Ip (Chief Executive Officer)	–	2,023	–	18	2,041
Mr. Chan	–	1,176	–	18	1,194
Ms. Tung Ah Pui Athena ("Ms. Tung")	–	960	–	18	978
Mr. Chan Chiang Kan ("Mr. Chan C.K.")	–	900	–	18	918
Mr. Mui Wai Sum ("Mr. Mui") *(Note (i))*	331	–	–	–	331
Independent non-executive directors					
Mr. Cheung Kwok Yan, Wilfred ("Mr. Cheung")	120	–	–	–	120
Mr. Feng Zhidong ("Mr Feng")	120	–	–	–	120
Professor Ho Ho Ming ("Professor Ho")	120	–	–	–	120
	691	5,059	–	72	5,822
Year ended 31 March 2016					
Executive directors					
Mr. Ip *(Note (ii))*	–	1,111	–	18	1,129
Mr. Chan *(Note (ii))*	–	1,111	–	18	1,129
Ms. Tung *(Note (ii))*	–	885	240	18	1,143
Mr. Chan C.K. *(Note (ii))*	–	790	70	18	878
Independent non-executive directors					
Mr. Cheung *(Note (iii))*	70	–	–	–	70
Mr. Feng *(Note (iii))*	70	–	–	–	70
Professor Ho *(Note (iii))*	70	–	–	–	70
	210	3,897	310	72	4,489

During the year ended 31 March 2017, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2016: Nil). Neither the chief executive nor any of the directors has waived or agreed to waive any emoluments during the year ended 31 March 2017 (2016: Nil).

9 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' and chief executive's emoluments (Continued)

Notes:

(i) Mr. Mui was appointed as executive director of the Company on 29 April 2016.

(ii) Mr. Ip, Mr. Chan, Ms. Tung and Mr. Chan C.K. were appointed as executive directors of the Company on 15 May 2015. They were also directors of certain subsidiaries of the Company and/or employees of the Group during the year ended 31 March 2016 and the Group paid emoluments to them in their capacity as the directors of these subsidiaries and/or employees of the Group before their appointment as executive directors of the Company on 15 May 2015.

(iii) The independent non-executive directors, Mr. Cheung, Mr. Feng and Professor Ho were appointed as directors of the Company on 12 August 2015.

(b) Five highest paid individuals

Of the five individuals with the highest emoluments, four (2016: four) of them are directors for the year ended 31 March 2017 whose emoluments are disclosed above. The emoluments in respect of the remaining one (2016: one) individual for the year ended 31 March 2017 are as follows:

	2017	2016
	HK$'000	HK$'000
Salaries and allowances	**859**	840
Discretionary bonuses	**–**	70
Retirement scheme contributions	**15**	18
	874	928

The emoluments fell within the following band:

	Number of individuals	
	2017	2016
Emolument band (in HK$)		
Nil – HK$1,000,000	**1**	1

During the year ended 31 March 2017, no emoluments were paid by the Group to the above highest paid individuals as (i) an inducement to join or upon joining the Group or (ii) as compensation for loss of office as a director or management of any members of the Group (2016: Nil).

10 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong for the year.

	2017 HK$'000	2016 HK$'000
Hong Kong profits tax:		
– Current income tax	5,613	7,967
– Overprovision in prior years	–	(18)
Deferred income tax *(Note 25)*	61	524
Income tax expense	5,674	8,473

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

	2017 HK$'000	2016 HK$'000
Profit before income tax	14,033	37,698
Calculated at a tax rate of 16.5%	2,316	6,220
Income not subject to tax	(173)	(231)
Expenses not deductible for tax purposes	1,084	2,682
Tax losses not recognised	2,504	–
Overprovision in prior years	–	(18)
Tax concession	(88)	(80)
Others	31	(100)
Income tax expense	5,674	8,473

11 EARNINGS PER SHARE

	2017	2016
Profit attributable to owners of the Company (HK$'000)	**8,359**	29,225
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousand)	**5,043,562**	(Restated) 4,335,322
Basic earnings per share (HK cent)	**0.17**	(Restated) 0.67

The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 31 March 2017 has been adjusted for the share subdivision on 24 April 2017 as if they have taken place since the beginning of the year.

The comparative figures for the basic earnings per share for the year ended 31 March 2016 are restated to take into account of the effect of the above share subdivision during the year retrospectively as if they have taken place since the beginning of the comparative year.

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary share in issue during the years ended 31 March 2016 and 2017.

12 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 March 2017:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Percentage of interest held
Progressive Foundation Company Limited	Hong Kong, limited liability company	Provision of foundation engineering works and project management business in Hong Kong	Ordinary share HK$100	100% (indirect)
Bright Access (HK) Limited	Hong Kong, limited liability company	Provision of foundation business in Hong Kong	Ordinary share HK$100	100% (indirect)
Chung Shun Construction Limited	Hong Kong, limited liability company	Provision of construction works, which included foundation works and ancillary services, and heavy duty machines business in Hong Kong	Ordinary share HK$100	100% (indirect)

12 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 March 2017: (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Percentage of interest held
Win Target Engineering Limited	Hong Kong, limited liability company	Provision of foundation engineering works business in Hong Kong	Ordinary share HK$10,000	100% (indirect)
Luck Win Group Inc.	BVI, limited liability company	Property holding	Ordinary share United States dollars ("US$") 50,000	100% (direct)
Gold Toys Limited	BVI, limited liability company	Investments in securities	Ordinary share US$50,000	100% (direct)
Simple Rise Inc.	BVI, limited liability company	Property holding	Ordinary share US$50,000	100% (direct)
Hong Kong Tamron Group Company Limited ("Tamron")	Hong Kong, limited liability company	Money lending business	Ordinary share HK$1,000,000	100% (direct)
Sunny Harvest Limited ("Sunny Harvest")	Hong Kong, limited liability company	Property holding	Ordinary share HK$2	100% (indirect)
Elements Assets Management Limited ("Elements Assets")	Hong Kong, limited liability company	Property holding	Ordinary share HK$1	100% (indirect)

13 DIVIDENDS

During the year ended 31 March 2016, the Company declared interim dividends of HK$25,000,000 to the then shareholder of the Company. Interim dividends of approximately HK$10,148,000 was settled by cash and the remaining balance of approximately HK$14,852,000 was settled by offset against the amounts due from directors.

No interim dividend was declared for the year ended 31 March 2017.

No final dividend was proposed by the Board for the year ended 31 March 2017 (2016: Nil).

14 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK$'000	Machinery and equipment HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost						
At 1 April 2015	–	69,117	767	1,654	28,691	100,229
Additions	–	29,606	–	113	2,633	32,352
Disposals	–	(4,389)	–	–	(2,091)	(6,480)
At 31 March 2016	–	94,334	767	1,767	29,233	126,101
Accumulated depreciation						
At 1 April 2015	–	32,345	119	1,090	16,693	50,247
Charge for the year *(Note 7)*	–	12,336	256	176	4,364	17,132
Disposals	–	(1,993)	–	–	(1,546)	(3,539)
At 31 March 2016	–	42,688	375	1,266	19,511	63,840
Net book value						
At 31 March 2016	–	51,646	392	501	9,722	62,261
Cost						
At 1 April 2016	–	94,334	767	1,767	29,233	126,101
Additions	8,479	10,889	–	190	696	20,254
Acquisition of assets through acquisition of subsidiaries *(Note 31)*	7,892	–	10	12	457	8,371
Disposals	–	(11,395)	–	–	(7,589)	(18,984)
At 31 March 2017	16,371	93,828	777	1,969	22,797	135,742
Accumulated depreciation						
At 1 April 2016	–	42,688	375	1,266	19,511	63,840
Charge for the year *(Note 7)*	111	15,462	256	172	3,554	19,555
Disposals	–	(4,061)	–	–	(6,310)	(10,371)
At 31 March 2017	111	54,089	631	1,438	16,755	73,024
Net book value						
At 31 March 2017	16,260	39,739	146	531	6,042	62,718

Notes:

(a) The net book value of machinery and equipment and motor vehicles of the Group include amounts of approximately HK$8,429,000 (2016: HK$12,651,000) and approximately HK$2,832,000 (2016: HK$6,824,000), respectively, in respect of assets held under finance leases.

(b) Depreciation expense of approximately HK$18,742,000 (2016: HK$16,700,000) has been included in cost of sales.

15 INVESTMENT PROPERTIES

	2017 HK$'000	2016 HK$'000
At fair value		
At 1 April	–	–
Additions	11,047	–
Acquisition of asset through acquisition of a subsidiary *(Note 31)*	11,087	–
Fair value change	(834)	–
At 31 March	21,300	–

As at 31 March 2017, investment properties with a carrying amount of approximately HK$11,000,000 (2016: Nil) have been pledged to other borrowing granted to the Group *(Note 24)*.

Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties as at 31 March 2017 has been arrived at on the basis of a valuation carried by ARM Appraisals Limited, an independent qualified professional valuer not connected to the Group who has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The fair value of investment properties classified in level 3 fair value hierarchy was determined based on the direct comparison approach where comparison is made based on prices realised on actual sales and/or asking prices of comparable properties. Comparable properties of similar size, scale, nature, character and location are analysed and weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value.

The following table gives information about how the fair value of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements and categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

15 INVESTMENT PROPERTIES (Continued)

Investment properties held by the Group	Fair value hierarchy	Valuation techniques and key inputs	Unobservable inputs	Relationship of significant unobservable inputs to fair value
Commercial and residential property units	Level 3	Direct comparison method based on market observable transactions and adjust to reflect the conditions and locations of the subject properties The key inputs are: (1) Floor level adjustment (2) View adjustment (3) Size adjustment (4) Location adjustment (5) Time adjustment	Various unobservable inputs concluding with a range of 0% to 25%	Higher premium for properties with higher characteristic will result in a higher fair value measurement

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

In estimating the fair value of the investment properties, the Group uses market-observable data to the extent it is available. The Group engages third party qualified valuers to perform the valuation. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

16 INTANGIBLE ASSETS

	2017 HK$'000	2016 HK$'000
At 1 April	–	–
Acquisition of asset through acquisition of a subsidiary *(Note 31)*	430	–
At 31 March	430	–

The intangible asset represents direct costs incurred for the acquisition of a money lenders licence with indefinite useful life and is stated at cost less any impairment losses.

16 INTANGIBLE ASSETS (Continued)

The money lenders licence is considered by the directors of the Company as having indefinite useful lives because it is expected that the money lenders licence can be renewed continuously at minimal cost and it will contribute net cash inflows for the Group in the foreseeable future. The money lenders licence will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

17 FINANCIAL INSTRUMENTS BY CATEGORY

	2017 HK$'000	2016 HK$'000
Financial assets		
Loans and receivables		
Trade and other receivables excluding prepayments	**151,924**	118,446
Cash and cash equivalents (excluding bank overdrafts)	**52,061**	50,251
	203,985	168,697
Financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss	**82,571**	–
Total	**286,556**	168,697
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**29,287**	36,405
Borrowings (excluding finance lease liabilities)	**21,056**	873
Finance lease liabilities	**13,165**	28,996
Total	**63,508**	66,274

18 TRADE AND OTHER RECEIVABLES

	2017 HK$'000	2016 HK$'000
Trade receivables	**42,200**	74,282
Loan receivables	**67,000**	–
Other receivables, deposits and prepayments	**10,217**	6,999
Retention receivables	**33,412**	37,824
	152,829	119,105

Notes:

(a) Trade receivables are past due when a counterparty has failed to make a payment when contractually due. The credit period granted to customers is 7 to 75 days generally. Trade receivables are denominated in HK$.

(b) The ageing analysis of the trade receivables based on payment certificate is as follows:

	2017 HK$'000	2016 HK$'000
0-30 days	**22,969**	51,609
31-60 days	**13,616**	10,774
61-90 days	**–**	668
Over 90 days	**5,615**	11,231
	42,200	74,282

Trade receivables of approximately HK$24,448,000 (2016: HK$60,428,000) as at 31 March 2017 were not yet past due and approximately HK$17,752,000 (2016: HK$13,854,000) as at 31 March 2017 were past due but not impaired. These relate to trade receivables from a number of independent customers of whom there is no recent history of default and no provision has therefore been made.

Retention receivables of approximately HK$33,412,000 ((2016: HK$37,824,000) as at 31 March 2017 were not yet past due and will be settled in accordance with the terms of respective contract.

(c) The Group's loan receivables, which arise from the money lending business, are denominated in HK$. The loan receivables are neither impaired nor overdue based on contractual maturity date as at 31 March 2017. All the loan receivables are entered with contractual maturity within 1 year. Loan receivables are interest-bearing at rates ranging from 7% to 54% per annum.

(d) The other classes within trade and other receivables do not contain impaired assets. The Group does not hold any collateral as security.

19 GROSS AMOUNTS DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

	2017 HK$'000	2016 HK$'000
Gross amounts due from customers for contract work		
Contract costs incurred plus recognised profits less recognised losses	**491,739**	425,992
Less: Progress billings received and receivable	**(447,848)**	(399,629)
	43,891	26,363

	2017 HK$'000	2016 HK$'000
Gross amounts due to customers for contract work		
Progress billings received and receivable	**18,031**	113,240
Less: Contract costs incurred plus recognised profits less recognised losses	**(17,600)**	(96,696)
	431	16,544

All gross amounts due from/to customers for contract work are expected to be recovered/settled within one year.

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017 HK$'000	2016 HK$'000
Held for trading investments include:		
Listed equity securities, at quoted price in Hong Kong	**82,571**	–

21 CASH AND CASH EQUIVALENTS

	2017 HK$'000	2016 HK$'000
Cash at banks	**47,205**	50,228
Cash held with brokers	**4,834**	–
Cash on hand	**22**	23
Cash and cash equivalents (excluding bank overdrafts)	**52,061**	50,251

All cash and cash equivalents are denominated in HK$.

22 SHARE CAPITAL

	Note	**Number of shares**	**Share capital** HK$'000
Ordinary shares of HK$0.01 each			
Authorised:			
On 15 May 2015 (date of incorporation)	*b*	38,000,000	380
Increase in authorised share capital	*c*	9,962,000,000	99,620
At 31 March 2016, 1 April 2016 and 31 March 2017		10,000,000,000	100,000
Issued and fully paid:			
On 15 May 2015 (date of incorporation)	*b*	1	–
Shares issued upon Reorganisation	*d*	9,999	–
Shares issued pursuant to the capitalisation issue	*e*	2,001,990,000	20,020
Shares issued under share offer	*f*	286,000,000	2,860
At 31 March 2016 and 1 April 2016		2,288,000,000	22,880
Shares issued under placing	*g*	168,000,000	1,680
Shares issued under placing	*h*	175,000,000	1,750
At 31 March 2017		2,631,000,000	26,310

22 SHARE CAPITAL (Continued)

Notes:

(a) The balance of share capital at 31 March 2015 represents the aggregate of the paid up share capital of the subsidiaries comprising the Group prior to the Reorganisation.

(b) Upon incorporation, the authorised share capital of the Company was HK$380,000 divided into 38,000,000 ordinary shares of HK$0.01 each. One share was allotted and issued nil-paid to the subscriber on 15 May 2015, which was then transferred to Grand Jade on the same date.

(c) On 12 August 2015, the then sole shareholder resolved to increase the authorised share capital of the Company from HK$380,000 to HK$100,000,000 by the creation of an additional 9,962,000,000 shares, each ranking pari passu with the shares then in issue in all respects.

(d) Pursuant to the Reorganisation and as consideration for the acquisition by the Company of the entire issued share capital of Glory Port International Limited ("Glory Port") from Grand Jade on 23 July 2015, (i) the 1 nil-paid share then held by Grand Jade was credited as fully paid, and (ii) 9,999 shares, all credited as fully paid, were allotted and issued to Grand Jade.

(e) Pursuant to the written resolutions of the sole shareholder of the Company passed on 12 August 2015, the Company issued and allotted a total of 2,001,990,000 ordinary shares of the Company credited as fully paid to the then sole shareholder of the Company's shares on the register of members at the close of business on 11 August 2015 by way of capitalisation of the sum of HK$20,019,900 standing to the credit of the share premium account of the Company.

(f) On 1 September 2015, 286,000,000 ordinary shares of HK$0.01 each were issued to the public at a price of HK$0.25 per share for cash totalling HK$71,500,000 by way of share offer. The excess of issue price over the par value of the shares, net of issuance costs of approximately HK$3,363,000, were credited to the share premium account of the Company.

(g) On 26 May 2016, 168,000,000 ordinary shares of HK$0.01 each were issued at a price of HK$0.50 per share for cash totalling HK$84,000,000 by way of placing. The excess of the issue price over the par value of the shares, net of issuance costs of approximately HK$2,940,000, were credited to the share premium account of the Company.

(h) On 23 September 2016, 175,000,000 ordinary shares of HK$0.01 each were issued at a price of HK$0.52 per share for cash totalling HK$91,000,000 by way of placing. The excess of the issue price over the par value of the shares, net of issuance costs of approximately HK$1,820,000, were credited to the share premium account of the Company.

23 SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 12 August 2015 as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme.

Under the Scheme, the directors of the Company may at their absolute discretion and subject to the terms of the Scheme, grant options to any employees (full-time or part-time), directors, substantial shareholders, consultants or advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the directors from time to time on the basis of the directors' opinion as to their contribution to the development and growth of the Group.

23 SHARE OPTION SCHEME (Continued)

The aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share options schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the limit being exceeded. The maximum number of shares issuable upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company as from the adoption date must not in aggregate exceed 10% of all the shares in issue upon the date on which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by obtaining approval of the Company's shareholders in general meeting provided that the total number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit.

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme or any other share option schemes of the Company in any 12-month period up to date of grant shall not exceed 1% of the shares of the Company in issue. Where any further grant of options to a participant would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his/her close associates abstaining from voting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approval by the independent non-executive directors of the Company (excluding any independent non-executive director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective close associates would result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK$5 million must be approved by the Company's shareholders at the general meeting of the Company, with voting to be taken by way of poll.

The offer of a grant of share options might be accepted in writing within 7 days from the date of the offer. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. A nominal consideration of HK$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer (which shall not be later than 7 days from the date of the offer).

23 SHARE OPTION SCHEME (Continued)

The subscription price shall be a price solely determined by the board of directors of the Company and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the offer date; and (iii) the nominal value of the Company's share on the offer date.

The Scheme shall be valid and effective for a period of ten years commencing on 12 August 2015, subject to early termination provisions contained in the Scheme.

No share options were granted since the adoption of the Scheme and there were no share option outstanding as at 31 March 2016 and 2017.

24 BORROWINGS

	2017 **HK$'000**	2016 HK$'000
Non-current		
Finance lease liabilities *(Note c)*	**4,333**	14,046
Current		
Bank overdrafts *(Note b)*	**458**	–
Bank borrowings *(Notes a and b)*	**10,598**	873
Other borrowing *(Note d)*	**10,000**	–
Finance lease liabilities *(Note c)*	**8,832**	14,950
	29,888	15,823
Total borrowings	**34,221**	29,869

24 BORROWINGS (Continued)

Notes:

(a) Bank borrowings

The bank borrowings are classified as current liabilities according to the HK Interpretation 5, *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* issued by the HKICPA. According to the repayment schedule, the bank borrowings are repayable as follows:

	2017	2016
	HK$'000	HK$'000
Within 1 year	**10,282**	275
Between 1 and 2 years	**291**	573
Between 2 and 5 years	**25**	25
	10,598	873

(b) The carrying amounts of the bank overdrafts and bank borrowings are denominated in the following currencies:

	2017	2016
	HK$'000	HK$'000
HK$	**10,458**	–
US$	**598**	873
	11,056	873

24 BORROWINGS (Continued)

Notes: (Continued)

(c) Finance lease liabilities

Lease liabilities are secured as the rights to the leased assets revert to the lessors in the event of default.

At the end of lease term of certain finance leases the Group has the option to purchase the leased asset at a price deemed to be a bargain purchase option.

Certain machinery and equipment was under finance leases in the form of sale and leaseback arrangements. There was no disposal gain or loss recognised for the transactions as the fair value was not significantly different to the carrying value of the relevant machinery and equipment.

	2017 HK$'000	2016 HK$'000
Gross finance lease liabilities – minimum lease payments		
Within 1 year	**9,096**	15,688
Between 1 and 2 years	**4,318**	10,858
Between 2 and 5 years	**98**	3,548
	13,512	30,094
Future finance charges on finance leases	**(347)**	(1,098)
Present value of finance lease liabilities	**13,165**	28,996

The present value of finance lease liabilities is as follows:

	2017 HK$'000	2016 HK$'000
Within 1 year	**8,832**	14,950
Between 1 and 2 years	**4,249**	10,551
Between 2 and 5 years	**84**	3,495
	13,165	28,996

The finance leases are secured by the Group's machinery and equipment with an aggregate net book value of approximately HK$8,429,000 (2016: HK$12,651,000) and motor vehicles with an aggregate net book value of approximately HK$2,832,000 (2016: HK$6,824,000) as at 31 March 2017. Finance leases with carrying amounts of approximately HK$5,452,000 (2016: HK$6,984,000) as at 31 March 2017 are guaranteed by personal guarantees given by certain directors of the Company.

The carrying amounts of all finance lease liabilities are denominated in HK$.

(d) The other borrowing was secured by a charge over the Group's investment properties *(Note 15)*. The other borrowing is repayable within one year and denominated in HK$.

24 BORROWINGS (Continued)

Notes: (Continued)

(e) The interest rates per annum of borrowings are as follows:

	2017	2016
Bank overdrafts	5%	N/A
Bank borrowings	2.75% to 3.00%	2.50%
Other borrowing	8%	N/A
Finance lease liabilities	2.88% to 5.68%	2.88% to 7.96%

(f) These banking facilities are secured by pledge of life insurance amounting to approximately HK$2,550,000 (2016: HK$2,513,000) and guaranteed by corporate guarantee given by the Group as at 31 March 2017.

25 DEFERRED TAX LIABILITIES

The components of deferred tax liabilities recognised in the consolidated statements of financial position and the movements during the year are as follows:

Deferred tax arising from:	**Depreciation allowances in excess of the related depreciation** HK$'000
At 1 April 2015	5,263
Charged to profit or loss *(Note 10)*	524
At 31 March 2016 and 1 April 2016	5,787
Charged to profit or loss *(Note 10)*	61
At 31 March 2017	5,848

At the end of the reporting period, the Group has unused tax losses of approximately HK$15 million (2016: Nil) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. All losses are carried forward indefinitely.

26 TRADE AND OTHER PAYABLES

	2017 HK$'000	2016 HK$'000
Trade payables	**23,507**	29,031
Accruals and other payables	**5,780**	7,374
	29,287	36,405

Notes:

(a) Payment terms granted by suppliers are generally 15 to 80 days from the invoice date of the relevant purchases.

The ageing analysis of trade payables based on the invoice date is as follows:

	2017 HK$'000	2016 HK$'000
0-30 days	**9,186**	15,849
31-60 days	**3,875**	9,773
61-90 days	**894**	59
Over 90 days	**9,552**	3,350
	23,507	29,031

(b) All trade and other payables are denominated in HK$.

27 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before income tax to net cash (used in)/generated from operations

	2017 HK$'000	2016 HK$'000
Profit before income tax	**14,033**	37,698
Adjustments for:		
Depreciation	**19,555**	17,132
(Gain)/Loss on disposal of property, plant and equipment	**(3,060)**	406
Fair value change on investment properties	**834**	–
Dividend income	**(576)**	–
Interest income	**(88)**	(148)
Interest expense	**1,037**	1,079
Operating profit before working capital changes	**31,735**	56,167
Increase in trade and other receivables	**(33,448)**	(32,025)
Increase in gross amounts due from customers for contract work	**(17,528)**	(19,932)
Increase in amounts due from directors	**–**	(4,864)
Increase in financial assets at fair value through profit or loss	**(82,571)**	–
Decrease in trade and other payables	**(7,240)**	(250)
(Decrease)/Increase in gross amounts due to customers for contract work	**(16,113)**	6,173
Net cash (used in)/generated from operations	**(125,165)**	5,269

(b) Material non-cash transactions

During the year ended 31 March 2016, additions to property, plant and equipment of approximately HK$13,818,000 were financed by finance lease arrangements.

28 COMMITMENTS

(a) Capital commitments

Capital commitments outstanding at the end of reporting period not provided for in the consolidated financial statements were as follows:

	2017 HK$'000	2016 HK$'000
Contracted but not provided for:		
Property, plant and equipment	1,673	6,400

(b) Operating lease commitments — Group as lessee

The future minimum lease payments under non-cancellable operating leases were payable as follows:

	2017 HK$'000	2016 HK$'000
Within one year	527	1,215
In the second to fifth years inclusive	35	485
	562	1,700

The Group is the lessee in respect of office premises under operating leases. The leases typically run for an initial period of 1 to 3 years, with an option to renew the leases when all terms are renegotiated.

(c) Operating lease commitments – Group as lessor

The future minimum lease payments receivable under non-cancellable operating leases were as follows:

	2017 HK$'000	2016 HK$'000
Within one year	332	–

The Group leases out certain investment properties under operating leases. The leases generally run for an initial period of 1 to 2 years, with an option to renew the leases after that date at which time all terms are renegotiated.

29 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in making financial or operational decisions. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

The emoluments of the directors and senior executives (representing the key management personnel) during the year are disclosed in Note 9.

30 CONTINGENT LIABILITIES

The Group, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgements or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

Pending litigations

As at 31 March 2017, there were three (2016: three) ongoing employees' compensation claims and one (2016: two) personal injury claim against the Group. As the claims are being handled by the relevant insurer's lawyer and the directors take the view that the amount to be borne by the Group in the proceeding shall be covered by the relevant insurance policy, no provision for contingent liabilities in respect of pending litigations is necessary.

31 ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

During the year ended 31 March 2017, the Group acquired 100% equity interest in Tamron from an independent third party, at a cash consideration of approximately HK$536,000.

During the year ended 31 March 2017, the Group acquired 100% equity interest in Sunny Harvest from an independent third party, at a cash consideration of approximately HK$7,906,000.

During the year ended 31 March 2017, the Group acquired 100% equity interest in Elements Assets from an independent third party, at a cash consideration of approximately HK$1,492,000.

31 ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (Continued)

	Tamron HK$'000
Property, plant and equipment	22
Intangible assets	430
Cash and bank balance	50
Other receivables	39
Loan to a shareholder	618
Other payables	(5)
Net assets	1,154
Assignment of loan to a shareholder	(618)
Satisfied by cash	536
Cash consideration	536
Cash and bank balance acquired	(50)
Net outflow of cash and cash equivalent	486

	Sunny Harvest HK$'000
Property, plant and equipment	7,892
Other receivables	14
Shareholder's loan	(3,258)
Net assets	4,648
Assignment of shareholder's loan	3,258
Satisfied by cash	7,906
Cash consideration	7,906
Cash and bank balance acquired	–
Net outflow of cash and cash equivalent	7,906

31 ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (Continued)

	Elements Assets
	HK$'000
Property, plant and equipment	457
Investment property	11,087
Cash and bank balance	54
Other receivables	11
Borrowings	(10,000)
Other payables	(117)
Net assets satisfied by cash	1,492
Cash consideration	1,492
Cash and bank balance acquired	(54)
Net outflow of cash and cash equivalent	1,438

32 EVENT AFTER THE REPORTING PERIOD

An ordinary resolution for the share subdivision was passed at the extraordinary general meeting of the Company held on 21 April 2017. The subdivision of each of the existing issued and unissued share of HK$0.01 each in the share capital of the Company into two shares of HK$0.005 each has been effective from 24 April 2017.

33 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position

	Note	2017 HK$'000	2016 HK$'000
ASSETS			
Non-current assets			
Interests in subsidiaries		**261,130**	94,795
Current assets			
Trade and other receivables		**250**	272
Amount due from a subsidiary		**40,187**	33,743
Cash and bank balances		**19,543**	24,181
		59,980	58,196
Total assets		**321,110**	152,991
EQUITY			
Capital and reserves			
Share capital		**26,310**	22,880
Reserves	33(b)	**292,572**	129,939
Total equity		**318,882**	152,819
LIABILITIES			
Current liabilities			
Trade and other payables		**50**	172
Amounts due to subsidiaries		**2,178**	–
		2,228	172
Total equity and liabilities		**321,110**	152,991
Net current assets		**57,752**	58,024
Total assets less current liabilities		**318,882**	152,819

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 21 June 2017 and signed on its behalf by:

Mr. Ip Ying Chau	**Mr. Mui Wai Sum**
Director	Director

33 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement

	Share premium HK$'000	Capital reserve HK$'000	Special reserve HK$'000	Retained earnings HK$'000	Total HK$'000
On 15 May 2015 (date of incorporation)	–	–	–	–	–
Profit and total comprehensive income for the period	–	–	–	6,965	6,965
Dividends paid	–	–	–	(25,000)	(25,000)
Reorganisation	–	–	94,795	–	94,795
Shares issued pursuant to the capitalisation issue	(20,020)	–	–	–	(20,020)
Shares issued under share offer	68,640	–	–	–	68,640
Shares issuance costs	(3,363)	–	–	–	(3,363)
Deemed capital contribution	–	7,922	–	–	7,922
Balance at 31 March 2016	45,257	7,922	94,795	(18,035)	129,939
Balance at 1 April 2016	**45,257**	**7,922**	**94,795**	**(18,035)**	**129,939**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**(4,177)**	**(4,177)**
Shares issued under placing	**171,570**	**–**	**–**	**–**	**171,570**
Shares issuance costs	**(4,760)**				**(4,760)**
Balance at 31 March 2017	**212,067**	**7,922**	**94,795**	**(22,212)**	**292,572**

Special reserve

Special reserve represents the difference between the fair value of the shares of Glory Port acquired pursuant to the Reorganisation over the nominal value of the Company's shares issued in exchange therefore.

FIVE YEARS FINANCIAL SUMMARY

	Year ended 31 March				
	2017	2016	2015	2014	2013
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**353,038**	399,277	305,313	238,541	234,752
Cost of sales	**(312,746)**	(328,830)	(242,982)	(203,346)	(199,873)
Gross profit	**40,292**	70,447	62,331	35,195	34,879
Other income, gains and losses	**5,155**	892	6,245	731	907
Fair value change on investment properties	**(834)**	–	–	–	–
Administrative and other operating expenses	**(29,543)**	(32,562)	(17,722)	(9,552)	(10,465)
Operating profit	**15,070**	38,777	50,854	26,374	25,321
Finance costs	**(1,037)**	(1,079)	(1,361)	(1,201)	(1,064)
Profit before income tax	**14,033**	37,698	49,493	25,173	24,257
Income tax expense	**(5,674)**	(8,473)	(7,872)	(4,114)	(4,004)
Profit and total comprehensive income for the year	**8,359**	29,225	41,621	21,059	20,253
Profit and total comprehensive income attributable to:					
Owners of the Company	**8,359**	29,225	38,499	19,348	19,421
Non-controlling interests	**–**	–	3,122	1,711	832
Profit and total comprehensive income for the year	**8,359**	29,225	41,621	21,059	20,253
		(Restated)	(Restated)	(Restated)	(Restated)
Basic and diluted earnings per share *(HK cent)*	**0.17**	0.67	0.96	0.48	0.49

The comparative earnings per share in previous years are restated to take into account of the effect of the share subdivision on 24 April 2017 during the year retrospectively as if they have taken place since the beginning of the comparative year.

	As at 31 March				
	2017 HK$'000	2016 HK$'000	2015 HK$'000	2014 HK$'000	2013 HK$'000
ASSETS					
Non-current assets					
Property, plant and equipment	**62,718**	62,261	49,982	34,115	37,319
Investment properties	**21,300**	–	–	–	–
Intangible assets	**430**	–	–	–	–
	84,448	62,261	49,982	34,115	37,319
Current assets					
Trade and other receivables	**152,829**	119,105	86,990	65,086	46,855
Gross amounts due from customers for contract work	**43,891**	26,363	6,431	3,416	3,108
Amounts due from directors	**–**	–	9,988	3,848	1,098
Financial assets at fair value through profit or loss	**82,571**	–	–	–	–
Tax recoverable	**14**	–	–	–	–
Cash and cash equivalents (excluding bank overdrafts)	**52,061**	50,251	22,543	5,492	8,733
	331,366	195,719	125,952	77,842	59,794
Total assets	**415,814**	257,980	175,934	111,957	97,113
EQUITY					
Capital and reserves					
Share capital	**26,310**	22,880	1	1	1
Reserves	**318,750**	143,581	86,176	44,178	24,830
	345,060	166,461	86,177	44,179	24,831
Non-controlling interests	**–**	–	–	2,727	1,016
Total equity	**345,060**	166,461	86,177	46,906	25,847

	As at 31 March				
	2017	2016	2015	2014	2013
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
LIABILITIES					
Non-current liabilities					
Borrowings	**4,333**	14,046	8,235	7,452	6,752
Deferred tax liabilities	**5,848**	5,787	5,263	3,459	2,282
	10,181	19,833	13,498	10,911	9,034
Current liabilities					
Trade and other payables	**29,287**	36,405	36,655	22,068	24,866
Gross amounts due to customers for contract work	**431**	16,544	10,371	7,707	6,987
Amount due to a director	**–**	–	–	1,881	9,003
Borrowings	**29,888**	15,823	17,455	16,101	17,930
Current income tax liabilities	**967**	2,914	11,778	6,383	3,446
	60,573	71,686	76,259	54,140	62,232
Total liabilities	**70,754**	91,519	89,757	65,051	71,266
Total equity and liabilities	**415,814**	257,980	175,934	111,957	97,113
Net current assets/(liabilities)	**270,793**	124,033	49,693	23,702	(2,438)
Total assets less current liabilities	**355,241**	186,294	99,675	57,817	34,881