

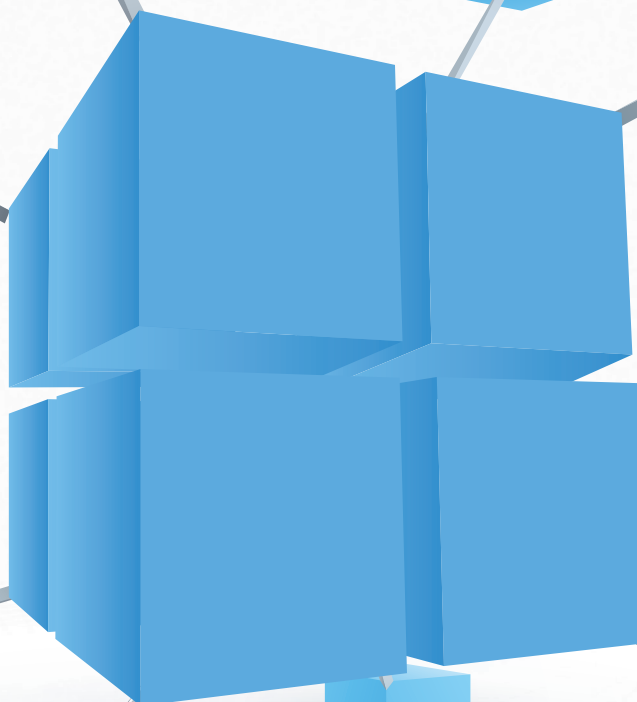


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IN CONSTRUCTION HOLDINGS LIMITED 現恆建築控股有限公司

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

(Stock code 股份代號 : 1500)



Annual Report
年報 **2020**

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Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors

Lau Pak Man
Cheng Wing Cheong
Kwan Kit Sum Kit

Independent Non-Executive Directors

Leung Chi Kin
Lam Chi Hung Louis
Yau Chi Man Norman (also known as lao Chi Meng)

AUDIT COMMITTEE

Leung Chi Kin
Lam Chi Hung Louis
Yau Chi Man Norman (also known as lao Chi Meng)

REMUNERATION COMMITTEE

Yau Chi Man Norman (also known as lao Chi Meng)
Kwan Kit Sum Kit
Leung Chi Kin

NOMINATION COMMITTEE

Lam Chi Hung Louis
Cheng Wing Cheong
Yau Chi Man Norman (also known as lao Chi Meng)

AUTHORISED REPRESENTATIVES

Kwan Kit Sum Kit
Wong Sin Yi Reginia

COMPANY SECRETARY

Wong Sin Yi Reginia

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with
the Financial Reporting Council Ordinance

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Wing Lung Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited

董事會

執行董事

劉伯文
鄭榮昌
關潔心

獨立非執行董事

梁梓堅
林志雄
丘子敏

審核委員會

梁梓堅
林志雄
丘子敏

薪酬委員會

丘子敏
關潔心
梁梓堅

提名委員會

林志雄
鄭榮昌
丘子敏

授權代表

關潔心
王倩儀

公司秘書

王倩儀

核數師

畢馬威會計師事務所
於《財務匯報局條例》下的註冊公眾利益實
體核數師

主要往來銀行

中國銀行(香港)有限公司
永隆銀行有限公司
香港上海滙豐銀行有限公司

Corporate Information (continued)

公司資料(續)

REGISTERED OFFICE

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

註冊辦事處

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

26/F, Park Avenue Tower
5 Moreton Terrace
Causeway Bay
Hong Kong

總部及香港主要營業地點

香港銅鑼灣
摩頓臺5號
百富中心26樓

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Ltd.
(formerly known as Esera Trust (Cayman) Ltd.)
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

開曼群島股份過戶登記總處

Ocorian Trust (Cayman) Ltd.
(前稱為 Esera Trust (Cayman) Ltd.)
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

WEBSITE

www.inconstruction.hk

網站

www.inconstruction.hk

STOCK CODE

Hong Kong Stock Exchange 1500

股份代號

香港聯交所1500

Chairman's Statement 主席報告

To Our Shareholders,

On behalf of the Board of Directors of In Construction Holdings Limited (the "Company"), I am pleased to present you with the annual report for the year ended 31 March 2020 (the "Financial Year 2019/20").

Founded in 1996, our Company is an experienced general and foundation contractor serving the Hong Kong building and construction industries by offering quality and flexible solutions to our customers. Using our ability to solve different and complex issues on construction projects, we continue to build trust and credibility with our existing and new customers. We could not have done it without the support of our business partners who have been working with us over the years. The implementation of our self-developed, successful formula in project management, together with our strong bond with our customers and partners, has enabled us to withstand the up and down in market conditions that we experienced since the beginning.

Though we are faced with ever increasing competition among contractors in tendering for new projects, we are mindful to maintain our profit margin to safeguard our shareholders' interests. Nevertheless, we remain confident and are well-positioned in the market as our operation model of subcontracting works allows us flexibility to remain resilient to adverse impact. In this financial year, facing strong competitions, we are still able to be awarded 5 new contracts with an aggregate contract sum of HK\$392.2 million, as compared to 3 new contracts with an aggregate contract sum of HK\$558.1 million in last financial year.

Looking ahead, it is expected that 2020 will be filled with more uncertainties as a result of the outbreak of pandemic and the social unrests in Hong Kong. At the beginning of the outbreak of the COVID-19, it had led to supply chain disruptions and delays in delivering raw materials from the Mainland China while the social unrests in Hong Kong forced the workmen to report their duties late and/or need early departure to/from work to avoid disruptions of the public transportation system whilst protests had affected the construction progress.

In facing the above, nevertheless we will continue to adhere to our strategy of focusing on 'design and build' projects. With our long established standing in the construction industry, our experienced management team, the listing platform and healthy financial position, our management team will use their best endeavor to build value over the medium to long term for our shareholders.

致我們的股東：

本人代表現恆建築控股有限公司（「本公司」）董事會，欣然向閣下呈列截至二零二零年三月三十一日止年度（「二零一九／二零財政年度」）的年報。

本公司於一九九六年創立，作為經驗豐富的總承建商及地基承建商為香港建築及建造業服務，為客戶提供優質及靈活的解決方案。憑藉我們解決各類項目不同複雜問題的能力，我們繼續贏得現有及新客户信賴。若無多年來與我們合作的業務夥伴支持，我們難以取得上述成果。履行我們於項目管理中自行開發的成功方式，連同我們與客戶及夥伴的穩固關係，令我們於自最初經歷的波動市況中屹立不倒。

雖然在新項目投標中面對承建商之間不斷增加的競爭，我們時刻緊記維持我們利潤率以保障我們股東權益。然而，由於我們分包工程的營運模式給予我們靈活性以對不利影響仍然具備較多的適應能力，我們仍然確信及於市場上處於有利地位。於本財政年度，在面臨激烈的競爭下，我們仍然能夠獲授5項新項目，合約總額為392.2百萬港元，而上一個財政年度則獲授3項新項目，合約總額為558.1百萬港元。

展望未來，因應大流行病毒爆發及香港社會動盪影響，預期2020年將充滿著更多不確定因素。2019年新冠狀病毒爆發初期引致中國大陸供應鏈受阻及延誤從中國運送原材料的時間，而社會動盪迫使員工未能準時上班及或需要早退以避免示威行動而中斷的公共交通系統影響建築進度。

雖然面對以上問題，我們將繼續堅持專注於「設計及建築」項目的策略。憑藉本集團於建築行業的悠久聲譽、具有豐富經驗的管理團隊、上市平台及穩健財務狀況，管理團隊將竭力繼續為股東創造中長遠價值。

Chairman's Statement (continued)

主席報告(續)

On the behalf of our board, I would like to express our sincere gratitude to our management team and all our staff for their hard work and dedication, as well as our shareholders, business associates and other professional parties for their support at this uncertain time.

本人代表董事會謹此衷心感謝管理團隊及全體員工的辛勤工作與奉獻，以及感謝股東、業務夥伴及其他專業人士於此不穩定時間的鼎力支持。

Lau Pak Man

Chairman

Hong Kong, 24 June 2020

劉博文

主席

香港，二零二零年六月二十四日

Highlights

摘要

HK\$m **393.9** 百萬港元

Up HK\$88.8m from FY18/19

較二零一八/一九財政年度增加88.8百萬港元

REVENUE 收益

HK\$m **26.2** 百萬港元

Down HK\$4.4m from FY18/19

較二零一八/一九財政年度減少4.4百萬港元

GROSS PROFIT 毛利

HKcents **0.5** 港仙

HK1.3 cents in FY18/19

二零一八/一九財政年度為1.3港仙

EARNINGS PER SHARE 每股盈利

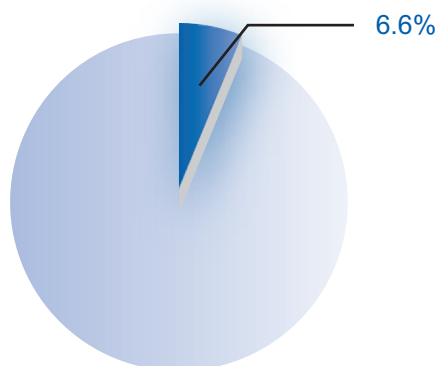
HK\$m **3.8** 百萬港元

Down HK\$6.8m from FY18/19

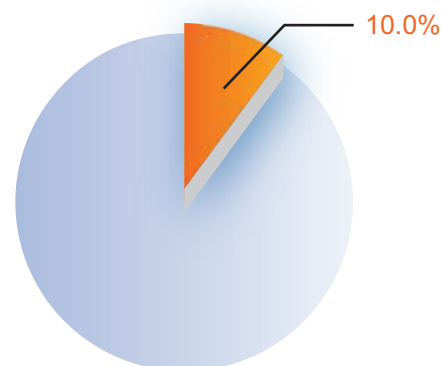
較二零一八/一九財政年度減少6.8百萬港元

NET PROFIT 純利

GROSS PROFIT MARGIN FY 2019/2020
二零一九/二零財政年度毛利率



GROSS PROFIT MARGIN FY 2018/2019
二零一八/一九財政年度毛利率



Management Discussion and Analysis 管理層討論及分析

BUSINESS AND FINANCIAL REVIEW

The Group is principally engaged as a contractor in the foundation industry in Hong Kong, undertaking foundation works as well as associated works including demolition works, site formation works, ground investigation field works and general building works for local customers.

Business Review

The Group has been engaged to undertake foundation and associated works in the private sector construction projects in Hong Kong, with an emphasis on design and build projects and undertaking the role as a main contractor.

The Group places emphasis on design and build projects because of the flexibility and capability in coming up with foundation design plan that suits its customers' requirements and the site conditions. During the Financial Year 2019/20, the Group has successfully carried out construction works with alternative design which not only complies with the technical requirements but also be more cost efficient for "design and build" contracts. The cost efficient proposals allow the Group to offer its customers a more competitive pricing and at the same time secure its profit margin for the year.

During the Financial Year 2019/20, five new foundation projects with an aggregate contract value of HK\$392.2 million were awarded to the Group. Three existing foundation projects were completed during the year. As at 31 March 2020, eight foundation projects with the outstanding contract sum of HK\$578.6 million were all in progress.

業務及財務回顧

本集團主要作為承建商於香港從事地基業，負責本地客戶的地基工程以及相關工程，包括拆卸工程、地盤平整工程、現場土地勘測工程及一般建築工程。

業務回顧

本集團獲邀承接香港私營建築項目的地基工程及相關工程，專注於設計及建造項目，並擔任總承建商。

本集團專注於設計及建造項目，乃因其靈活地且有能力製作迎合客戶要求及符合地盤狀況的地基設計計劃。於二零一九／二零財政年度，就「設計及建造」合約而言，本集團已成功以替代設計進行建築工程，不僅符合技術要求，且更具成本效益。具成本效益的方案允許本集團向其客戶提供更具競爭力的價格，並同時於本年度獲得利潤。

於二零一九／二零財政年度，本集團獲授合約總值為392.2百萬港元的五個新地基項目。三個現有地基項目已於年內完成。於二零二零年三月三十一日，未完工合約金額578.6百萬港元的八個地基項目全部仍為在建中。

Management Discussion and Analysis (continued)
管理層討論及分析(續)**BUSINESS AND FINANCIAL REVIEW**
(continued)

業務及財務回顧(續)

Business Review (continued)

業務回顧(續)

Year of award/project 獲授年度/項目	Type of contract 合約類型	Status as at 31 March 2020 於二零二零年 三月三十一日的狀況
<i>Year 2017-2018</i> 二零一七至二零一八年度		
Chai Wan Kok Street, Tsuen Wan 荃灣柴灣角街	Design and build 設計及建造	Completed 已完工
Seymour Road, Hong Kong 香港西摩道	Design and build 設計及建造	Completed 已完工
Robinson Road, Mid-Levels 半山區羅便臣道	Design and build 設計及建造	Completed 已完工
<i>Year 2018-2019</i> 二零一八至二零一九年度		
Kok Cheung Street, Tai Kok Tsui 大角咀角祥街	Design and build 設計及建造	Work in progress 在建
Tai Po Kau 大埔滘	Design and build 設計及建造	Work in progress 在建
Caine Road 堅道	Design and build 設計及建造	Work in progress 在建
<i>Year 2019-2020</i> 二零一九至二零二零年度		
Hok Yuen Street 鶴園街	Design and build 設計及建造	Work in progress 在建
Tung Street 東街	Design and build 設計及建造	Work in progress 在建
Kwun Chui Road 管翠路	Build only 僅建造	Work in progress 在建
Liberty Avenue 自由道	Design and build 設計及建造	Work in progress 在建
Hang On Street 恆安街	Design and build 設計及建造	Work in progress 在建

Management Discussion and Analysis (continued) 管理層討論及分析(續)

BUSINESS AND FINANCIAL REVIEW (continued)

Financial Review

During the Financial Year 2019/20, there were 18 projects contributing revenue and gross profit of approximately HK\$393.9 million and HK\$26.2 million, respectively, whereas revenue and gross profit for the Financial Year 2018/19 of HK\$305.1 million and HK\$30.6 million, respectively were contributed by 10 projects. Top five projects contributed revenue amounted to HK\$341.3 million (2019: HK\$244.9 million), in which the top project contributed 47.7% of the total revenue.

Fierce competition in the market has led to a decrease in gross profit margin to 6.6% for the Financial Year 2019/20 from 10.0% of last year. Such decrease was primarily attributable to, among other factors, work done for a few foundation projects are at their preliminary stages with low certified revenue and gross profit for the year ended 31 March 2020.

Administrative and other operating expenses decreased by approximately HK\$1.7 million to approximately HK\$22.6 million, compared with approximately HK\$24.3 million of the Financial Year 2018/19, which was mainly due to decrease in depreciation of plant and machineries.

As a result, profit before taxation for the Financial Year 2019/20 decreased by HK\$8.1 million or 65.3% to HK\$4.3 million, from the last financial year of HK\$12.4 million.

業務及財務回顧(續)

財務回顧

於二零一九／二零財政年度，18個項目分別貢獻收益及毛利約393.9百萬港元及26.2百萬港元，而於二零一八／一九財政年度的收益及毛利305.1百萬港元及30.6百萬港元由10個項目貢獻。五大項目貢獻的收益為341.3百萬港元(二零一九年：244.9百萬港元)，其中最大項目貢獻總收益之47.7%。

市場競爭激烈導致毛利率由去年的10%減少至二零一九／二零財政年度的6.6%，主要由於(其中包括)截止二零二零年三月三十一日有若干個基建工程其工作進度尚在初期並只有少量確認收益及毛利。

行政及其他經營開支減少約1.7百萬港元至約22.6百萬港元，而二零一八／一九財政年度為約24.3百萬港元，主要由於是廠房及設備折舊減少所致。

因此，二零一九／二零財政年度除稅前溢利減少8.1百萬港元或65.3%至4.3百萬港元，而上一個財政年度則為12.4百萬港元。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

BUSINESS AND FINANCIAL REVIEW (continued)

Principal Risks and Uncertainties

Highly regulated industry

The foundation industry is a highly regulated industry and the Group is required to maintain certain registrations under the laws of Hong Kong. In order to renew and maintain these registrations, the Group is required to comply with certain criteria set by the relevant governmental departments and authorities such as the Buildings Department and the Development Bureau. These include the maintenance of certain financial criteria such as working capital level, the adequacy of our management structure and the appropriate experience and qualification of our personnel.

Any suspension of or a failure to maintain or renew the Group's registrations could materially and adversely affect the Group's business.

Uncertainty in construction progress

Due to the nature of foundation works, the foundation and structure of any buildings adjacent to the Group's construction sites may be affected or damaged during the construction process.

The Group may incur additional cost and time in carrying out remedial works and this may cause material delay in completing a project. The Group may face claims from customers for losses and for liquidated and ascertained damages due to delay. Further, the Group may also be exposed to claims and disputes from third parties arising from damage caused to the adjacent buildings. Such claims, legal and other proceedings may affect the Group's reputation and also increase the costs of the projects undertaken by the Group, resulting in adverse impact on the financial performance of the Group.

業務及財務回顧 (續)

主要風險及不確定因素

高度規管行業

地基行業乃受高度規管的行業，而本集團須根據香港法例保持若干註冊。為重續及保持該等註冊，本集團須遵守相關政府部門及機構，例如屋宇署及發展局，所設定的若干標準。該等標準包括達到若干財務標準，如營運資金水準、管理架構是否充足及員工的經驗及資歷是否合適。

任何本集團的註冊被暫時吊銷或未能保持或重續該等註冊，均可能對本集團業務產生重大不利影響。

建築過程的不確定因素

基於地基工程的性質，鄰近本集團的建築地盤的任何樓宇的地基及結構可能於建造過程受影響或損毀。

本集團可能就進行補救工作產生額外成本及時間，此可能導致項目完工出現重大延誤。本集團可能就因延誤造成的損失及協定及確定損害賠償遭到客戶索償。此外，本集團亦可能因鄰近樓宇受損遭受第三方索償及所引起的紛爭。該等索償、法律及其他訴訟程式可能影響本集團信譽，亦增加本集團承接項目的成本，引致對本集團財務表現產生不利影響。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS AND FINANCIAL REVIEW (continued)

Principal Risks and Uncertainties (continued)

Failure to bid new contract

The Group's business relies on successful tenders that determine the award of contracts for foundation works and/or associated works. Given the non-recurring nature of these contract awards and the fact that the Group does not have long-term commitment with its customers, the number of contracts awarded to the Group may vary from year to year.

Upon the completion of its contracts on hand, the Group's financial performance may be adversely affected if the Group is unable to secure new tenders or obtain new contract awards with comparable contract sums or at all.

Uncertain external factors

Despite the fact that the construction industry is one of the traditional core industries in Hong Kong and it is currently benefitting from strong housing needs and large government infrastructure projects, the construction industry may suffer adverse impact in the event of any change in government policies, sudden economic setback, social unrest and unanticipated natural disasters and outbreak of serious disease. Since our customers are mostly private sector property developers, the future growth and profitability of the foundation industry largely depend on the continued prosperity of the property market and the construction industry in Hong Kong.

Although the Group has a number of contracts on hand, these external factors may affect the number of new construction projects available in the private sector in medium to long term.

業務及財務回顧(續)

主要風險及不確定因素(續)

未能中標新合約

本集團的業務取決於成功中標，以決定是否取得地基工程及／或相關工程合約。鑒於該等獲授合約的非經常性質及事實是本集團對客戶並無長期承諾，本集團獲授的合約數量或會按年轉變。

完成手上的合約後，倘本集團未能取得新的投標或合約總額相約的新合約，或兩者均未能取得，本集團財務表現或會受到不利影響。

不確定外部因素

儘管事實為建造業乃香港傳統核心產業之一，且其現時受惠於強勁的住房需求及政府大型基建項目，倘政府政策變動、經濟突然倒退、社會動蕩及發生無法預料的自然災害及嚴重疾病爆發，建造業可能受到不利影響。由於我們的客戶大部分為私營物業發展商，地基業日後的增長及盈利能力很大程度上取決於香港物業市場及建造業是否持續興旺。

雖然本集團有若干份手頭合約，該等外部因素可能在中長期影響於私營市場可獲得的新建築項目數量。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS AND FINANCIAL REVIEW (continued)

Relationships with Customers, Working Partners and Employees

The Group maintains long-term relationships with its customers and working partners (including sub-contractors, suppliers and consultants), some of which have established more than 10 years of working relationship with the Group. The close working relationship can also be demonstrated by the increasing number of customer portfolios and continuous cooperation with working partners which may be engaged by the Group in one or more of its projects at the same time. Building successful long-term relationships with them is a key element of the Group's business model, which is closely interlinked with all the other elements of its model. Successful long-term relationships are built on trust – a trust that the Group is able to provide quality service and excellent customer experience. To achieve this, the Group needs experienced people with the right skills and capabilities as well as continuous supports from its working partners.

The Group also maintains a very stable and experienced management team and an amicable long-term relationship with its employees. The Group has a low staff turnover rate of 4% in the project management team in 2020 (2019: 5%) and many of the Group's skilled employees have worked with the Group for a number of years. The Group's key management team comprises three executive Directors and the Chief Financial Officer, the biography of each is set out under the section headed "Biographies of Directors and Senior Management" in this report. The Group's experienced management team, coupled with a stable pool of skilled labour, is one of its key drives in delivering high quality work to customers in order to attain high customers' satisfaction.

業務及財務回顧(續)

與客戶、工作夥伴及僱員的關係

本集團與其客戶及工作夥伴(包括分包商、供應商及顧問)維持長期關係,其中部分上述者與本集團已建立超過10年的工作關係。此緊密工作關係可從客戶組合數量日益增加及本集團同時於一個或以上項目與其工作夥伴不間斷合作得以證實。與彼等建立成功的長期關係乃本集團業務模式的關鍵要素,並與模式所有其他要素緊密互連。成功的長期關係乃建立於信任之上,即相信本集團能夠提供優質服務及非凡的客戶體驗。為達致此目標,本集團需要具備合適技能及能力的富有經驗的人士以及工作夥伴持續支持。

本集團亦維持非常穩定及經驗豐富的管理團隊,並與其員工保持長期友好關係。本集團於二零二零年項目管理團隊的員工流失率較低,為4%(二零一九年:5%),且本集團很多熟練員工已為本集團工作若干年。本集團的重要管理團隊包括三名執行董事及首席財務總裁,各履歷載於本報告「董事及高級管理人員履歷」一節。本集團經驗豐富的管理團隊連同一批穩定的技能勞工,乃向客戶提供優質工程以令客戶高度滿意的主要推動力之一。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

BUSINESS AND FINANCIAL REVIEW (continued)

Environmental Policies

The Group emphasises on environmental protection when undertaking its projects. The Group was awarded the ISO 14001:2015 (environment management system accreditation). The current ISO 14001:2015 certificate is valid from 1 August 2018 to 3 September 2020. When preparing the tender documents, the Group will take into consideration the environmental protection requirements of potential customers as well as the relevant laws and regulations in relation to environmental protection. The Group's safety and environmental officers are responsible for ensuring that the Group satisfies the applicable laws and regulations requirements and identifying and reporting on environmental issues to our project management team.

Compliance with Relevant Laws and Regulation

The Group mainly undertakes foundation works and associated works for construction projects in the private sector in Hong Kong and is thus subject to the rules and regulations implemented by the Buildings Department which regulates contractors in the private sector. The Directors confirmed that during the Financial Year 2019/2020 and up to the date of this report, the Group had obtained all the registrations and certifications required for its business and operations in Hong Kong, and had complied with the applicable laws and regulations in Hong Kong in all material respects.

業務及財務回顧(續)

環保政策

本集團在進行項目時注重環保。本集團獲授ISO 14001:2015(環保管理系統認證)。現時ISO 14001:2015證書的有效期由二零一八年八月一日至二零二零年九月三日。於準備投標文件時，本集團會考慮潛在客戶的環保要求以及與環保有關的相關法律及法規。本集團的安全及環境主任負責確保本集團符合適用法律及法規的規定，並找出環保方面的問題，向項目管理團隊匯報。

遵守相關法律及法規

本集團主要於香港私營市場承接建築項目地基工程及相關工程，因此須遵守屋宇署規管私營承建商所頒佈的規則及規例。董事確認，於二零一九／二零二零財政年度及直至本報告日期，本集團已取得香港業務及經營所需的所有註冊及證書，並於所有重大方面遵守香港適用法律及法規。

Management Discussion and Analysis (continued)
管理層討論及分析(續)**LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

流動資金、財務資源及資本架構

		As at 31 March 於三月三十一日	
		2020 二零二零年	2019 二零一九年
Current ratio	流動比率	3.0	4.0
Gearing ratio ¹	資產負債比率 ¹	17.2%	8.5%

Note:

附註:

1. Gearing ratio is calculated based on debts including lease liabilities, bank loan and shareholder's loan divided by the total equity as at the reporting dates.

1. 資產負債比率按債項(包括租賃負債、銀行貸款及股東貸款)除以報告日期的權益總額計算。

Gearing ratio increased by 8.7% as at 31 March 2020 as compared to that as at 31 March 2019 was mainly due to the new bank loan of HK\$10 million and shareholder's loan of HK\$13 million as at 31 March 2020.

於二零二零年三月三十一日，資產負債比率較二零一九年三月三十一日增加8.7%，主要由於二零二零年三月三十一日之新增銀行貸款 10百萬港元及股東貸款13百萬港元。

As at 31 March 2020, the Group had cash and bank balances of HK\$46.1 million (2019: HK\$45.6 million), of which HK\$35.6 million (2019: HK\$36.8 million) were restricted bank balances. Such restricted bank balances were held for the purpose of the issuance of surety bonds for our projects and requirement of our general banking facilities. As at 31 March 2020, the Group had no bank overdrafts (2019: Nil).

於二零二零年三月三十一日，本集團擁有46.1百萬港元(二零一九年：45.6百萬港元)的現金及銀行結餘，當中35.6百萬港元(二零一九年：36.8百萬港元)為受限制銀行結餘。該等受限制銀行結餘乃持作為項目發行擔保債券及用作我們的一般銀行融資需要。於二零二零年三月三十一日，本集團並無銀行透支(二零一九年：無)。

The capital structure of the Group consisted of equity of HK\$248.7 million, with HK\$42.8 million debts as at 31 March 2020.

於二零二零年三月三十一日，本集團的資本架構包括248.7百萬港元之權益及42.8百萬港元之債項。

The Group adopts a prudent approach in cash management. Apart from certain debts including lease liabilities, bank loan and shareholder's loan, the Group did not have any material outstanding debts as at 31 March 2020. Payment to settle trade payable represented the significant part of the cash outflow of the Group. Taking into account the light debt leverage, the Group is able to generate cash and meet upcoming cash requirements. In any case, the Group may utilise its banking facilities of HK\$150.0 million, of which the unutilised and unrestricted banking facilities amounted to approximately HK\$99.4 million.

本集團採用審慎方法進行現金管理。除某些債項包括租賃負債、銀行貸款及股東貸款外，於二零二零年三月三十一日，本集團並無任何重大未償還債項。結算應付貿易賬款的付款佔大部分本集團現金流出。考慮到負債比率較低，本集團能夠產生現金及滿足現時現金需要。本集團在任何情況下均可動用其150.0百萬港元之銀行融資，其中約99.4百萬港元為尚未動用及無限制的銀行融資。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

EMPLOYEES

The Group had 50 full-time employees as at 31 March 2020 (2019: 49). The Group offers a competitive remuneration package that is based on the overall market rates and employee performance, as well as the performance of the Group. The remuneration package comprised of salary, a performance-based bonus, and other benefits including training and provident funds.

CAPITAL COMMITMENTS

The Group had no capital commitments as at 31 March 2020 (2019: Nil).

CONTINGENT LIABILITIES

Save as disclosed in note 23 to the financial statements, the Group had no other contingent liabilities as at 31 March 2020.

CHARGE OVER ASSETS

Save as disclosed in notes 13 and 14 to the financial statements, as at 31 March 2020, the Group had no other significant assets under pledge (2019: Nil).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the Financial Year 2019/20. There is no other plan for material investments or capital assets as at 31 March 2020.

僱員

於二零二零年三月三十一日，本集團有50名全職僱員(二零一九年：49名)。本集團根據整體市場水準及個別僱員之表現，以及本集團之業務表現，提供具競爭力之薪酬待遇。薪酬待遇包括薪金及績效花紅，以及包括培訓及公積金在內之其他福利。

資本承擔

於二零二零年三月三十一日，本集團並無資本承擔(二零一九年：無)。

或然負債

除於財務報表附註23所披露者外，於二零二零年三月三十一日，本集團並無其他或然負債。

資產抵押

除財務報表附註13及14所披露者外，於二零二零年三月三十一日，本集團並無其他重大資產抵押(二零一九年：無)。

持有重大投資、重大收購或出售附屬公司及聯屬公司，以及重大投資或資本資產的計劃

於二零一九／二零財政年度內，本集團概無持有重大投資、重大收購或出售附屬公司及聯屬公司。於二零二零年三月三十一日，概無重大投資或資本資產的其他計劃。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the Listing will be utilised in accordance with the proposed applications set out in the section headed "Future Plans and Use of Proceeds" of the prospectus of the Company dated 31 March 2015 (the "Prospectus") and the announcements of the Company dated 7 August 2015 and 28 March 2018. The below table sets out the proposed applications of the net proceeds and actual usage up to 31 March 2020:

		Proposed application	Actual usage up to 31 March 2020
		擬定用途	截至 二零二零年 三月三十一日止 的實際用途
		HK\$' million	HK\$' million
		百萬港元	百萬港元
Hiring of additional staff	招聘額外員工	2.9	2.9
Acquisition of additional machinery and equipment	收購額外機器和設備	29.9	29.9
Financing for the issue of surety bonds for future projects	就未來項目發行擔保債券融資	56.7	45.9
General working capital	一般營運資金	10.0	10.0
		99.5	88.7

FUTURE PROSPECTS

Taking into account the Government of the Hong Kong Special Administrative Region's policy in increasing land supply and commitment to infrastructure investments, the Group expects a rebound in the foundation industry in the long run. Despite the vigorous competition in the Hong Kong construction industry, the Board is confident with the Group's future development in its net profit and scale of operations due to its long established reputation, the listing platform and healthy financial position. To maintain its competitive edge, the Group continues to adhere to its business strategy, by expanding our capacity to capture more business opportunities, reinforcing its capability in foundation design and project management skills, and offering qualitative and flexible solution to its customers.

上市所得款項淨額用途

上市所得款項淨額將根據本公司日期為二零一五年三月三十一日之招股章程(「招股章程」)「未來計劃及所得款項用途」一節及本公司日期為二零一五年八月七日及二零一八年三月二十八日之公佈所載之擬定用途使用。下表載列截至二零二零年三月三十一日止的所得款項淨額擬定用途及實際用途：

	Proposed application	Actual usage up to 31 March 2020
	擬定用途	截至 二零二零年 三月三十一日止 的實際用途
	HK\$' million	HK\$' million
	百萬港元	百萬港元
Hiring of additional staff	2.9	2.9
Acquisition of additional machinery and equipment	29.9	29.9
Financing for the issue of surety bonds for future projects	56.7	45.9
General working capital	10.0	10.0
	99.5	88.7

未來前景

考慮到香港特別行政區政府增加土地供應的政策以及對基建投資的承諾，本集團預計從長遠來看建築業將會復甦。儘管香港建築業競爭激烈，董事會仍對本集團憑藉悠久聲譽、上市平臺及穩健財務狀況令未來淨利潤及營運規模取得發展充滿信心。為保持競爭力，本集團繼續堅持其業務策略，擴大產能以捕捉更多商機，增強地基設計能力及項目管理技能，向客戶提供優質靈活的解決方案。

Biographies of Directors and Senior Management 董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Mr. Lau Pak Man (劉伯文), aged 65, is our Chairman, Chief Executive Officer, executive Director and General Manager of the Group. Mr. Lau, together with Mr. Cheng Wing Cheong, are the founders of the Group. Mr. Lau is responsible for overall strategic development, project management and client management of the Group. Mr. Lau has also been a director of In Construction Limited, an indirect wholly-owned subsidiary of the Group, since 20 December 1996. Mr. Lau obtained a Bachelor of Science degree in Civil Engineering from the University of Leeds in July 1979. Mr. Lau has nearly 29 years of extensive experience in the construction industry in Hong Kong since 1991. Prior to founding In Construction Limited in December 1996, Mr. Lau was the project manager and contract manager of Fong On Construction & Engineering Co Ltd. between January 1991 till December 1994 and January 1995 till December 1996, respectively, who was mainly responsible for H-piling foundations, supply and installations projects as well as a construction and redevelopment project. Mr. Lau has been a member of the Hong Kong Institution of Engineers since July 1992, a chartered engineer of the Institution of Civil Engineers, London, England since November 1984, a member of the Institution of Civil Engineers since December 1983, a member of the Institute of Highways and Transportation, London, England since March 1983 and is a registered professional engineer (civil) of Engineers Registration Board. Mr. Lau is the spouse of Ms. Kwan Kit Sum Kit.

Mr. Cheng Wing Cheong (鄭榮昌), aged 65, is our executive Director and the Director – Construction of the Group. Mr. Cheng, together with Mr. Lau Pak Man, are the founders of the Group and is responsible for overseeing the tender process including foundation design and project budget, as well as quality control of our projects. Mr. Cheng has been a director of In Construction Limited since 20 December 1996. Mr. Cheng obtained a Bachelor of Science degree in Engineering from the University of Hong Kong in October 1977. In the course of his career, Mr. Cheng has accumulated more than 20 years of comprehensive experience in the construction industry. Between May 1989 and August 1992, Mr. Cheng worked in China Overseas Foundation Engineering Limited as a director and deputy general manager.

執行董事

劉伯文先生，65歲，為本集團的主席、行政總裁、執行董事及總經理。劉先生(連同鄭榮昌先生)為本集團的創辦人。劉先生負責本集團的整體策略發展、項目管理及客戶管理。劉先生自一九九六年十二月二十日起亦為現恆建築有限公司(本集團間接全資附屬公司)的董事。劉先生於一九七九年七月獲利茲大學頒授土木工程學士學位。劉先生自一九九一年起於香港建造業擁有將近29年的豐富經驗。於一九九六年十二月成立現恆建築有限公司之前，自一九九一年一月至一九九四年十二月及自一九九五年一月至一九九六年十二月，劉先生分別為晃安建築工程有限公司的項目經理及合同經理，主要負責工字樁地基、供應及安裝項目以及建築及再開發項目。自一九九二年七月起，劉先生一直為香港工程師協會的會員；自一九八四年十一月起，為英國倫敦土木工程師協會特許工程師；自一九八三年十二月起，為土木工程師協會的會員；自一九八三年三月起為英國倫敦高速公路及運輸協會會員及工程師註冊管理局的註冊專業工程師(土木)。劉先生為關潔心女士的配偶。

鄭榮昌先生，65歲，為本集團的執行董事及建築總監。鄭先生連同劉伯文先生為本集團的創辦人並負責監督投標程序，包括地基設計及項目預算，以及項目質量控制。鄭先生自一九九六年十二月二十日起擔任現恆建築有限公司的董事。鄭先生於一九七七年十月獲香港大學頒授工程學理學士學位。於其職業生涯中，鄭先生已於建造業累積逾20年的豐富經驗。於一九八九年五月至一九九二年八月，鄭先生於中國海外基礎工程有限公司擔任董事及副總經理。

Biographies of Directors and Senior Management (continued) 董事及高級管理人員履歷(續)

Ms. Kwan Kit Sum Kit (關潔心), aged 48, is our executive Director and the Director – Operations of the Group. Ms. Kwan is responsible for project management and coordination, as well as daily operations of the Group. Ms. Kwan has been a director of In Construction Limited since 1 December 2014. Ms. Kwan obtained a Bachelor of Business Administration degree in Management from the Hong Kong University of Science and Technology in November 1994. Ms. Kwan has accumulated over 20 years of experience in the construction industry. She joined In Construction Limited as an assistant manager in April 1997. Prior to joining our Group, Ms. Kwan worked in Sam Woo Engineering Equipment Limited from February 1995 to April 1997, as an assistant manager. Ms. Kwan is the spouse of Mr. Lau Pak Man.

關潔心女士，48歲，為本集團的執行董事及營運總監。關女士負責項目管理及協調以及本集團的日常營運。關女士自二零一四年十二月一日起為現恆建築有限公司的董事。關女士於一九九四年十一月獲香港科技大學頒授管理學工商管理學士學位。關女士已於建造業累積超過20年的經驗。彼於一九九七年四月加入現恆建築有限公司，擔任助理經理。於加入本集團之前，自一九九五年二月至一九九七年四月，關女士於三和機械有限公司工作，擔任助理經理。關女士為劉伯文先生的配偶。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Chi Kin (梁梓堅), aged 66, is an independent non-executive Director appointed by the Company on 26 March 2015. Mr. Leung obtained a high diploma in accountancy from the Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) in November 1976. In the course of his career, Mr. Leung has accumulated over 40 years of working experience in auditing, accounting, taxation and financial management. Mr. Leung is currently a practicing Certified Public Accountant and managing director of Chang Leung Hui & Li C.P.A. Limited. He is also a Certified Tax Adviser of the Taxation Institute of Hong Kong. Mr. Leung is a fellow member of the Association of Chartered Certified Accountants and the Institute of Chartered Accountants in England and Wales, and a member of the Hong Kong Institute of Chartered Secretaries. Between June 1976 and November 1980, Mr. Leung worked in Lowe Bingham & Matthews Price Waterhouse & Co., and then started his own accounting practice in January 1981 and has been in public practice up to now.

獨立非執行董事

梁梓堅先生，66歲，由本公司於二零一五年三月二十六日委任為獨立非執行董事。梁先生於一九七六年十一月獲頒授香港理工大學(前稱香港理工學院)會計學高級文憑。於其職業生涯中，梁先生於審計、會計、稅務及財務管理方面累積逾40年的工作經驗。梁先生現時為張梁許李會計師事務所有限公司的執業會計師及董事總經理。彼亦為香港稅務學會的執業稅務顧問。梁先生為特許會計師協會及英格蘭及威爾士特許會計師協會的資深會員以及香港特許秘書公會的會員。於一九七六年六月至一九八零年十一月，梁先生任職於Lowe Bingham & Matthews Price Waterhouse & Co.，及隨後於一九八一年一月開設其自己的會計師事務所及直至現在一直公開執業。

Biographies of Directors and Senior Management (continued)

董事及高級管理人員履歷(續)

Mr. Lam Chi Hung Louis (林志雄), aged 72, is an independent non-executive Director appointed by the Company on 26 March 2015. Mr. Lam obtained a Bachelor of Science degree in November 1969, and after that he obtained a degree of Doctor of Philosophy from the University of Hong Kong in November 1972. Mr. Lam has over 45 years of experience in engineering. Mr. Lam has been the managing director and founder of LR Construction Technologies Limited since August 2012, the managing director and co-founder of LR Construction and Consultancy Limited since April 2012, the managing director and co-founder of LR IoT Limited since June 2009. From November 1996 to August 2004, Mr. Lam was a principal lecturer of the Vocational Training Council. From 1976 to 1987, Mr. Lam was an appointed lecturer in the Department of Civil and Structural Engineering of the University of Hong Kong. Mr. Lam has been a member of the Hong Kong Institute of Engineers since November 1975 and is also a registered professional engineer of Engineers Registration Board. Mr. Lam is also currently an independent non-executive director of Magnus Concordia Group Limited (Stock Exchange stock code: 1172).

Mr. Lam has also been appointed Head of Department of Civil Engineering of Chu Hai College of Higher Education since March 2020.

Mr. Yau Chi Man Norman (also known as lao Chi Meng) (丘子敏), aged 57, is an independent non-executive Director appointed by the Company on 26 March 2015. Mr. Yau is qualified as a Barrister-at-law in Hong Kong in March 2011. Mr. Yau obtained a Bachelor of Science degree in Electronic and Electrical Engineering from Loughborough University of Technology, England in July 1987. He subsequently obtained a Juris Doctor in Laws and Postgraduate Certificate in Laws from City University of Hong Kong in November 2008 and July 2010, respectively. Mr. Yau has over 20 years of experience in electric power engineering. Mr. Yau worked in CLP Power Hong Kong Limited between January 1991 and April 2010, during which Mr. Yau undertook various positions, with his last position being a senior project engineer at CLP Engineering Limited, a subsidiary of CLP Power Hong Kong Limited.

Mr. Yau has been a member of the Institution of Engineering and Technology, England (formerly known as the Institution of Electrical Engineers, England) and a chartered electrical engineer of the Engineering Council, England since 2000. He has been a member of the Hong Kong Institution of Engineers since 2001 and a member of the Chartered Institution of Building Services Engineers, England since 2004. Mr. Yau has also been a fellow of the Hong Kong Institute of Arbitrators since 2011.

林志雄先生，72歲，由本公司於二零一五年三月二十六日委任為獨立非執行董事。林先生於一九六九年十一月獲得理學學士，其後彼於一九七二年十一月獲得香港大學哲學博士學位。林先生於工程業擁有逾45年的經驗。自二零一二年八月起至今，林先生為LR Construction Technologies Limited的董事總經理及創辦人；自二零一二年四月起為LR Construction and Consultancy Limited的董事總經理及聯合創辦人；自二零零九年六月起，為LR IoT Limited的董事總經理及聯合創辦人。從一九九六年十一月至二零零四年八月，林先生為職業訓練局的首席講師。從一九七六年至一九八七年，林先生獲委任為香港大學土木工程及結構工程系的講師。自一九七五年十一月起，林先生為香港工程師學會會員及亦為工程師註冊管理局的註冊專業工程師。林先生目前亦為融太集團股份有限公司(聯交所股份代號：1172)的獨立非執行董事。

從二零二零年三月起林先生被任命為香港珠海學院土木工程系系主任。

丘子敏先生，57歲，由本公司於二零一五年三月二十六日委任為獨立非執行董事。丘先生於二零一一年三月為香港合資格執業大律師。丘先生於一九八七年七月獲英國 Loughborough University of Technology 頒授電子及電機工程學理學士學位。彼隨後於二零零八年十一月及二零一零年七月分別獲香港城市大學頒授法律博士及法學專業證書。丘先生於電力工程方面積逾20年經驗。丘先生於一九九一年一月至二零一零年四月服務於中華電力有限公司，期間曾出任不同職位，彼最後職位為在中華電力有限公司之附屬公司中電工程有限公司任職高級項目工程師。

丘先生自二零零零年起為英國工程及技術學會(前稱英國電機工程師學會)的會員及英國工程師學會的特許電力工程師。彼自二零零一年起為香港工程師學會的會員及自二零零四年起為英國特許屋宇設備工程師學會的會員。丘先生亦自二零一一年起為香港仲裁師學會的資深會員。

Biographies of Directors and Senior Management (continued) 董事及高級管理人員履歷(續)

SENIOR MANAGEMENT CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Ms. Wong Sin Yi Reginia (王倩儀), aged 54, has joined us as the Chief Financial Officer of the Group since 1 March 2019, and was appointed as our company secretary on 8 March 2019. Ms. Wong is responsible for the accounting and financial functions, internal control as well as the company secretary affairs of the Group. Ms. Wong is an associate of the Hong Kong Institute of Certified Public Accountants and an associate of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. She holds a master degree in Business Administration from the University of South Australia. Prior to joining the Group, Ms. Wong has over 20 years of experience as the finance manager of several listed companies in Hong Kong and has extensive experience in auditing, accounting and financial management.

高級管理層 首席財務總裁及公司秘書

王倩儀女士，54歲，自二零一九年三月一日起加入本集團出任首席財務總裁，並於二零一九年三月八日獲委任為本公司的公司秘書。王女士負責本集團的會計及財務職能、內部監控以及公司秘書事宜。王女士為香港會計師公會會員及香港特許秘書公會以及特許秘書及行政人員公會會員。彼持有南澳大學工商管理碩士學位。於加入本集團前，王女士曾擔任多間香港上市公司之財務經理，積逾20年經驗，並於審計、會計及財務管理方面擁有豐富經驗。

Directors' Report 董事會報告

The Board presents this annual report together with the audited consolidated financial statements of the Group for the financial year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, and its subsidiaries are principally engaged in foundation works as well as associated works including demolition works, site formation works, ground investigation field works and general building works. The activities and particulars of the Company's subsidiaries are shown under note 12 to the financial statements.

RESULTS

The results of the Group for the financial year ended 31 March 2020 are set out in the consolidated statement of profit or loss and other comprehensive income on page 61 of this report.

DIVIDENDS

The Board has resolved not to declare a final dividend for the Financial Year 2019/20.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming annual general meeting of the Company to be held on Friday, 4 September 2020, the register of members of the Company will be closed from Tuesday, 1 September 2020 to Friday, 4 September 2020, both days inclusive, during which period no transfer of shares of the Company will be registered. Shareholders of the Company are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar (Branch Share Registrar) in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 31 August 2020.

CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

With effect from 11 July 2019, the Hong Kong Branch Share Registrar and Transfer Office of the Company, Tricor Investor Services Limited, will change its address from Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong to:

**Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong**

All telephone and facsimile numbers of the Branch Share Registrar will remain unchanged.

董事會謹此提呈本集團截至二零二零年三月三十一日止財政年度之年報及經審核綜合財務報表。

主要業務

本公司為投資控股公司，其附屬公司主要從事地基工程以及相關工程，包括拆卸工程、地盤平整工程、現場土地勘測工程及一般建築工程。本公司附屬公司的活動及詳情載於財務報表附註12。

業績

本集團截至二零二零年三月三十一日止財政年度之業績載於本報告第61頁之綜合損益及其他全面收益表。

股息

董事會議決不宣派二零一九／二零財政年度之末期股息。

暫停辦理股東名冊登記

為確保享有出席本公司將於二零二零年九月四日(星期五)行之應屆股東週年大會並於會上投票的權利，本公司將由二零二零年九月一日(星期二)至二零二零年九月四日(星期五)包括首尾兩日暫停辦理股東名冊登記，期間將不會登記本公司股份過戶。本公司股東務請確保所有填妥之股份過戶表格連同有關股票，最遲必須於二零二零年八月三十一日(星期一)下午四時三十分前送達本公司之香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓。

更改香港股份過戶登記分處地址

自二零一九年七月十一日日起，本公司的香港股份過戶登記分處卓佳證券登記有限公司的地址將由香港皇后大道東183號合和中心22樓更改為：

**香港
皇后大道東183號
合和中心54樓**

股份過戶登記分處所有電話及傳真號碼將維持不變。

Directors' Report (continued)
董事會報告 (續)**PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

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

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2020 and up to the date of this report.

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years, is set out on page 136. This summary does not form part of the audited consolidated financial statements in this report.

SHARE CAPITAL

Details of movements in the Financial Year 2019/20 in the share capital are set out in note 20(c) to the financial statements.

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 Financial Year 2019/20.

DISTRIBUTABLE RESERVES

As at 31 March 2020, the Company's reserves available for distribution to equity shareholders of the Company amounted to approximately HK\$121,926,000.

PLANT AND EQUIPMENT

Details of the movements in plant and equipment of the Group during the year ended 31 March 2020 are set out in note 11 to the financial statements.

購買、出售或贖回本公司上市證券

年內，本公司或其附屬公司概無購買、出售或贖回本公司任何上市證券。

報告期後事項

董事會並不知悉於二零二零年三月三十一日後直至本報告日期所發生任何重大事項須予以披露。

財務資料概要

本集團於過往五個財政年度的業績及資產及負債概要載於第136頁。該概要並不構成本報告經審核綜合財務報表的一部分。

股本

於二零一九／二零財政年度股本變動詳情載於財務報表附註20(c)。

管理層合約

於二零一九／二零財政年度，並無訂立或存續涉及管理及執行本公司業務之全部或任何主要部分之合約。

可供分派儲備

於二零二零年三月三十一日，本公司可供分派予本公司權益股東的儲備總額約為121,926,000港元。

廠房及設備

本集團於截至二零二零年三月三十一日止年度的廠房及設備變動詳情載於財務報表附註11。

Directors' Report (continued)

董事會報告(續)

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the articles of association of the Company (the "Articles"), or the law of Cayman Islands being the jurisdiction in which the Company is incorporated.

DIRECTORS

(a) Directors of the Company

The Directors during the year ended 31 March 2020 and up to the date of this report, are:

Executive Directors

Mr. Lau Pak Man (*Chairman and Chief Executive Officer*)
Mr. Cheng Wing Cheong
Ms. Kwan Kit Sum Kit

Independent Non-Executive Directors

Mr. Leung Chi Kin
Mr. Lam Chi Hung Louis
Mr. Yau Chi Man Norman (also known as lao Chi Meng)

Pursuant to Article 108(a) of the Articles, one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation at every annual general meeting of the Company. A retiring Director shall be eligible for re-election. Mr. Lam Chi Hung Louis and Mr. Yau Chi Man Norman retire from office by rotation at the 2020 AGM and, being eligible, will offer themselves for re-election at the said meeting.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company considers all of the independent non-executive Directors to be independent.

(b) Directors of the Company's subsidiaries

During the year and up to the date of this report, Mr. Lau Pak Man, Mr. Cheng Wing Cheong and Ms. Kwan Kit Sum Kit are also directors in certain subsidiaries of the Company.

優先購買權

本公司組織章程細則(「章程細則」)或開曼群島(即本公司註冊成立所在司法權區)法律並無有關優先購買權的任何規定。

董事

(a) 本公司董事

截至二零二零年三月三十一日止年度及直至本報告日期之董事如下：

執行董事

劉伯文先生(主席兼行政總裁)
鄭榮昌先生
關潔心女士

獨立非執行董事

梁梓堅先生
林志雄先生
丘子敏先生

根據章程細則第108(a)條，於本公司每屆股東週年大會上，佔當時董事人數三分之一(或當人數非三或三的倍數時，則為接近，但不少於三分之一的人數)之董事須輪席告退。退任董事合資格膺選連任。林志雄先生及丘子敏先生將於二零二零年股東週年大會上輪席退任，並合資格及將於該大會上膺選連任。

本公司已接獲各獨立非執行董事根據聯交所證券上市規則(「上市規則」)第3.13條就其獨立性發出的年度確認。本公司認為全體獨立非執行董事均為獨立人士。

(b) 本公司附屬公司董事

於本年度直至本報告日期，劉伯文先生、鄭榮昌先生及關潔心女士亦為本公司若干附屬公司董事。

Directors' Report (continued) 董事會報告(續)

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company and each of the independent non-executive Directors has signed an appointment letter with the Company. The appointment of each of the Directors is for a period of three years and shall continue thereafter until being terminated by either party giving not less than three months' written notice.

None of the Directors who are proposed for election or re-election at the forthcoming AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY PROVISION

The Articles provide that every Director shall be indemnified out of the assets and profits of the Company against liabilities (to the extent permitted by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) incurred by him as such Director in the execution of his duties or otherwise in relation thereto, provided that such indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any such director. The Company has taken out insurance against the liabilities and costs associated with defending any proceedings which may be brought against the Directors of the Company.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries or its parent company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or during the financial year ended 31 March 2020.

董事服務合約

每名執行董事已與本公司訂立服務協議，而每名獨立非執行董事與本公司已簽訂委任函。各董事的任期為期三年，其後可繼續留任，直至其中一方給予不少於三個月事先書面通知終止為止。

擬於應屆股東週年大會上膺選連任之董事概無與本公司訂立不可由本公司於一年內終止而毋須賠償(法定賠償除外)之服務合約。

獲准許的彌償保證條文

章程細則規定，每位董事有權就因執行其董事職務或相關的其他事宜而可能發生與此相關之債務(按公司條例(香港法例第622章)容許的最大程度)，將獲本公司從其資產及溢利中賠償，惟本彌償保證不延伸至任何與該董事欺詐或不忠誠有關之事宜。本公司就可能對本公司董事提起的任何法律訴訟相關的負債及成本投保。

董事於涉及本集團業務之重要交易、安排及合約中之重大權益

本公司或其任何附屬公司或其母公司概無訂立任何涉及本集團業務而董事於其中直接或間接擁有重大權益之於截至二零二零年三月三十一日止財政年度結束或年內任何時間續存的重要交易、安排及合約。

Directors' Report (continued) 董事會報告(續)

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save for Mr. Cheng Wing Cheong's interest in Longo Piling Company, details of which were set out in the section headed "Relationships with Controlling Shareholders" of the Prospectus, none of the Directors nor the controlling shareholders of the Company nor their respective associates (as defined in the Listing Rules) had any interest in a business that competed or might compete with the business of the Group in the Financial Year 2019/20.

Mr. Lau Pak Man, Ms. Kwan Kit Sum Kit, In Play Limited and Kinetic Kingdom Limited, being the controlling shareholders of the Company declared that they have complied with the undertakings given under the Deed of Non-competition as disclosed in the Prospectus. Mr. Cheng Wing Cheong, Longo Piling Company and Wealth Celebration Limited declared that they have complied with the undertakings given under the Longo Deed of Non-competition as disclosed in the Prospectus.

The independent non-executive Directors were delegated with the authority to review, on an annual basis, the compliance with the Deed of Non-competition and the Longo Deed of Non-competition. The independent non-executive Directors were not aware of any non-compliance of both Deeds of Non-competition since the respective dates of the deeds and up to the date of this report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are set out in the section headed "Biographies of Directors and Senior Management" of this report.

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in note 8 to the financial statements.

董事於競爭業務之權益

除鄭榮昌先生於Longo Piling Company擁有權益(詳情載於招股章程「與控股股東的關係」一節)外,於二零一九/二零財政年度,本公司董事或控股股東或彼等各自之聯繫人(定義見上市規則)概無擁有與本集團業務構成或可能構成競爭之業務的任何權益。

本公司控股股東劉伯文先生、關潔心女士、In Play Limited及Kinetic Kingdom Limited表明彼等已遵守招股章程所披露不競爭契約項下作出的承諾。鄭榮昌先生、Longo Piling Company及Wealth Celebration Limited已表明彼等已遵守招股章程所披露Longo不競爭契約項下作出的承諾。

獨立非執行董事獲授權每年審閱不競爭契約及Longo不競爭契約的遵守情況。獨立非執行董事概無知悉自各契約日期以來及直至本報告日期有任何違反兩份不競爭契約的行為。

董事及高級管理人員履歷

董事及高級管理人員履歷詳情載於本報告「董事及高級管理人員履歷」一節內。

董事薪酬

董事薪酬詳情載於財務報表附註8。

Directors' Report (continued)
董事會報告 (續)**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES**

As at 31 March 2020, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations, within the meaning of the Securities and Futures Ordinance (the "SFO"), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules, were as follows:

Long positions in the shares:

Name of Director 董事姓名	Capacity/ Nature of Interest 身份／權益性質	Number of shares 股份數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本的 概約百分比
Mr. Lau Pak Man 劉伯文先生	Beneficial owner 實益擁有人	7,520,000	0.91%
	Interest in a controlled corporation ^(Note 1) 於受控制公司的權益 ^(附註1)	270,000,000	32.53%
	Interest of spouse ^(Note 2) 配偶權益 ^(附註2)	60,000,000	7.23%
	Total 合計	337,520,000	40.67%
Mr. Cheng Wing Cheong 鄭榮昌先生	Beneficial owner 實益擁有人	5,900,000	0.71%
	Interest in a controlled corporation ^(Note 3) 於受控制公司的權益 ^(附註3)	270,000,000	32.53%
	Total 合計	275,900,000	33.24%
Ms. Kwan Kit Sum Kit 關潔心女士	Interest in a controlled corporation ^(Note 4) 於受控制公司的權益 ^(附註4)	60,000,000	7.23%
	Interest of spouse ^(Note 5) 配偶權益 ^(附註5)	277,520,000	33.44%
	Total 合計	337,520,000	40.67%
Mr. Yau Chi Man Norman (also known as lao Chi Meng) 丘子敏先生	Beneficial owner 實益擁有人	2,970,000	0.36%
	Total 合計	2,970,000	0.36%

董事及主要行政人員的證券權益

於二零二零年三月三十一日，董事及本公司主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」））股份、相關股份或債券中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例的該等條文彼等被當作或視為擁有的權益及淡倉）；或(b)根據證券及期貨條例第352條須登記於該條規定存置的登記冊內的權益及淡倉；或(c)根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉如下：

股份的好倉：

Directors' Report (continued) 董事會報告(續)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES (continued)

Notes:

1. In Play Limited is 100.0% owned by Mr. Lau Pak Man. Mr. Lau Pak Man is therefore deemed to be interested in the shares held by In Play Limited under the SFO.
2. Mr. Lau Pak Man is the spouse of Ms. Kwan Kit Sum Kit. By virtue of the SFO, Mr. Lau Pak Man is deemed to be interested in the same number of shares in which Ms. Kwan Kit Sum Kit is deemed to be interested.
3. Wealth Celebration Limited is 100.0% owned by Mr. Cheng Wing Cheong. Mr. Cheng Wing Cheong is therefore deemed to be interested in the shares held by Wealth Celebration Limited under the SFO.
4. Kinetic Kingdom Limited is 100.0% owned by Ms. Kwan Kit Sum Kit. Ms. Kwan Kit Sum Kit is therefore deemed to be interested in the shares held by Kinetic Kingdom Limited under the SFO.
5. Ms. Kwan Kit Sum Kit is the spouse of Mr. Lau Pak Man. By virtue of the SFO, Ms. Kwan Kit Sum Kit is deemed to be interested in the same number of shares in which Mr. Lau Pak Man is deemed to be interested.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

The shares of the Company were listed on the Main Board of the Stock Exchange on 16 April 2015. The register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that, as at 31 March 2020, the following shareholders, other than those disclosed in the section headed "Directors' and Chief Executive's Interest in Securities", had notified the Company of its interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

董事及主要行政人員的證券權益 (續)

附註：

1. In Play Limited由劉伯文先生全資擁有。根據證券及期貨條例，劉伯文先生因此被視為於In Play Limited所持有股份中擁有權益。
2. 劉伯文先生為關潔心女士之配偶。根據證券及期貨條例，劉伯文先生被視為於關潔心女士被視為擁有權益的相同數目股份中擁有權益。
3. Wealth Celebration Limited由鄭榮昌先生全資擁有。根據證券及期貨條例，鄭榮昌先生因此被視為於Wealth Celebration Limited所持有股份中擁有權益。
4. Kinetic Kingdom Limited由關潔心女士全資擁有。根據證券及期貨條例，關潔心女士因此被視為於Kinetic Kingdom Limited所持有之股份中擁有權益。
5. 關潔心女士為劉伯文先生之配偶。根據證券及期貨條例，關潔心女士被視為於劉伯文先生被視為擁有權益的相同數目股份中擁有權益。

主要股東的證券權益

本公司股份於二零一五年四月十六日在聯交所主板上市。本公司根據證券及期貨條例第336條存置的主要股東名冊顯示，於二零二零年三月三十一日，除「董事及主要行政人員的證券權益」一節所披露者外，下列股東已知會本公司其於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的權益或淡倉：

Directors' Report (continued)
董事會報告(續)**SUBSTANTIAL SHAREHOLDERS'
INTERESTS IN SECURITIES (continued)****Long positions in the shares:**

Name of substantial shareholder 主要股東名稱	Capacity 身份	Number of shares 股份數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本的概約百分比
In Play Limited	Beneficial owner 實益擁有人	270,000,000	32.53%
Wealth Celebration Limited	Beneficial owner 實益擁有人	270,000,000	32.53%
Kinetic Kingdom Limited	Beneficial owner 實益擁有人	60,000,000	7.23%

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of purchases and sales for the financial year ended 31 March 2020 attributable to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	14.3%
– five largest suppliers combined	61.0%
Sales	
– the largest customer	47.7%
– five largest customers combined	96.4%

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the number of issued shares of the Company) had an interest in the major suppliers or customers noted above.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the paragraph headed "Directors' and chief executives' interests in securities" above, at no time during the year was the Company, its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or the chief executive of the Company or their associates to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

主要股東的證券權益(續)**股份的好倉：**

Name of substantial shareholder 主要股東名稱	Capacity 身份	Number of shares 股份數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本的概約百分比
In Play Limited	Beneficial owner 實益擁有人	270,000,000	32.53%
Wealth Celebration Limited	Beneficial owner 實益擁有人	270,000,000	32.53%
Kinetic Kingdom Limited	Beneficial owner 實益擁有人	60,000,000	7.23%

主要供應商及客戶

於截至二零二零年三月三十一日止財政年度，本集團主要供應商及客戶應佔採購及銷售百分比如下：

採購	
– 最大供應商	14.3%
– 五大供應商合計	61.0%
銷售	
– 最大客戶	47.7%
– 五大客戶合計	96.4%

董事、彼等之聯繫人或任何股東(據董事所深知，持有本公司已發行股份數目5%以上)概無於上文所述主要供應商或客戶中擁有權益。

董事認購股份或債券之權利

除上文「董事及主要行政人員的證券權益」一段所披露者外，本公司、其控股公司、附屬公司或同系附屬公司於本年度任何時間概無作為任何安排之參與方，致使本公司董事或主要行政人員或其聯繫人士藉購入本公司或任何其他法人團體之股份或債券而獲益。

Directors' Report (continued) 董事會報告(續)

CONNECTED TRANSACTIONS

During the year ended 31 March 2020, there were no connected transactions or continuing connected transactions of the Company which require compliance with any of the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Details of material related party transactions undertaken in the usual course of business of the Group are set out in note 24 to the financial statements. However, these transactions were either exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, or did not fall under the definition of connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that was publicly available and to the best belief and knowledge of the Directors, the Company has maintained the public float as required by the Listing Rules throughout the year ended 31 March 2020 and up to the date of this report.

BUSINESS REVIEW

The business review of the Group for the Financial Year 2019/2020 is included in the Management Discussion and Analysis in this report on pages 7 to 16 and forms part of this Directors' Report.

RETIREMENT SCHEMES

The Group participates in the mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). Save as the aforesaid, the Group did not participate in any other pension schemes during the Financial Year 2019/20.

關連交易

於截至二零二零年三月三十一日止年度，本公司並無關連交易或持續關連交易須遵守上市規則第14A章項下的申報、公佈或獨立股東批准的規定。於本集團日常業務過程中進行的重大關聯方交易詳情載於財務報表附註24。然而，該等交易或獲豁免遵守上市規則第14A章項下的申報、公佈及獨立股東批准規定，或不屬上市規則第14A章所界定的關連交易或持續關連交易。

充足公眾持股量

根據公開可得資料及就董事所確信及深知，於截至二零二零年三月三十一日止整個年度及直至本報告日期止，本公司已維持上市規則規定之公眾持股量。

業務回顧

本集團二零一九／二零二零財政年度的業務回顧載於本報告第7至16頁的管理層討論及分析，並構成董事會報告一部分。

退休計劃

本集團參加由香港法例第485章強制性公積金計劃條例所規定的強制性公積金。除上文所述外，本集團於二零一九／二零財政年度並無參與任何其他退休金計劃。

Directors' Report (continued)
董事會報告 (續)**SPECIFIC PERFORMANCE OF CONTROLLING SHAREHOLDERS UNDER RULE 13.18 OF THE LISTING RULES**

As at 31 March 2020, the Company as guarantor, and In Construction Limited (an indirect wholly-owned subsidiary of the Company) as borrower, entered into facility agreements relating to a HK\$80 million general banking and term loan facilities ("Facility 1") and a HK\$25 million hire purchase loan ("Facility 2") with licensed banks in Hong Kong as lenders. The maturity date of the facilities is three years and five years respectively from the date of drawdown.

According to the Facility 1 and Facility 2, the Company, as guarantor, has undertaken to the lenders that Mr. Lau Pak Man, Mr. Cheng Wing Cheong and Ms. Kwan Kit Sum Kit will maintain an aggregate beneficial shareholding of not less than 50% of the entire issued share capital of the Company; Facility 1 also requires any of Mr. Lau Pak Man, Mr. Cheng Wing Cheong and Ms. Kwan Kit Sum Kit will remain as the chairman of the Company.

A breach of the above undertakings will constitute an event of default, and the lenders may cancel or suspend the facilities and demand repayment of any outstanding amounts under the facility agreements together with interest accrued thereon.

The above undertakings contain covenants relating to specific performance of the controlling shareholders of the Company which are subject to disclosure under Rule 13.21 of the Listing Rules.

AUDITOR

A resolution will be proposed at the forthcoming AGM to re-appoint KPMG as the auditor of the Company.

By order of the Board

Lau Pak Man
Chairman

Hong Kong, 24 June 2020

控股股東根據上市規則第13.18條須履行的特定責任

於二零二零年三月三十一日，本公司（作為擔保人）及現恆建築有限公司（本公司間接全資附屬公司），作為借款人與香港持牌銀行作為貸款人就為數80百萬港元的一般銀行及定期貸款融資（「融資一」）及為數25百萬港元的分期付款貸款（「融資二」）而訂立融資協議。有關融資的到期日分別為自提取日期起計三年及五年。

根據融資一及融資二，本公司（作為擔保人）已向貸款人承諾，劉伯文先生、鄭榮昌先生及關潔心女士將維持實益股權總額不少於本公司全部已發行股本之50%；融資一還要求劉伯文先生、鄭榮昌先生及關潔心女士中任何一位仍將為本公司主席。

違反上述承諾將構成違約事件，貸款人可取消或暫停融資及要求償還融資協議項下任何尚未償還的款項連同應計利息。

上述承諾載有有關本公司控股股東根據上市規則第13.21條須披露的特定責任的承諾。

核數師

應屆股東週年大會上將提呈一項決議案以續聘畢馬威會計師事務所為本公司核數師。

承董事會命

主席
劉伯文

香港，二零二零年六月二十四日

Corporate Governance Report 企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of corporate transparency and accountability. The Company is committed in achieving a high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures.

Since Listing, the Board is of the opinion that the Company had adopted, applied and complied with the code provisions as set out in the Corporate Governance Code (the “Code”) contained in Appendix 14 to the Listing Rules except for the deviation from provision A.2.1 of the Code.

According to provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lau Pak Man is the Chairman and Chief Executive Officer, responsible for overall strategic development, project management and client management of the Group. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in Mr. Lau Pak Man has the benefit of ensuring consistent and continuous planning and execution of the Company’s strategies. The Board considers that the balance of power and authority, accountability and independent decision-making under the present arrangement will not be impaired in light of the diverse background and experience of the independent non-executive Directors, and the composition of the Board which comprises equal number of independent non-executive Directors and executive Directors also provides added independence to the Board. Further, the Audit Committee composed exclusively of independent non-executive Directors has free and direct access to the Company’s external auditors and independent professional advisers when it considers necessary.

企業管治常規

本公司知悉公司透明度及問責十分重要，致力於達致高水準的企業管治及通過更有效的企業管治程序帶領本集團取得更好業績及提升公司形象。

自上市後，董事會認為，本公司一直採用、應用及遵守上市規則附錄十四的企業管治守則（「守則」）所載守則規定，惟偏離守則條文A.2.1條者除外。

根據守則條文A.2.1條，主席與行政總裁的角色應分開並不應由同一人士擔任。劉伯文先生為主席兼行政總裁，負責本集團整體策略性發展、項目管理及客戶管理。董事會認為，劉伯文先生同時擔任主席及行政總裁可確保一致及持續規劃及執行本公司的策略。董事會認為，考慮到獨立非執行董事的不同背景及經驗，現時安排下的權力平衡、問責制度及獨立決策將不會受損，而董事會由相同數目的獨立非執行董事及執行董事組成，亦令董事會的獨立性有所提升。此外，審核委員會僅由獨立非執行董事組成，可於其認為有必要時自由及直接聯絡本公司的外部核數師及獨立專業顧問。

Corporate Governance Report (continued) 企業管治報告(續)

(A) THE BOARD

Board Composition

The Board consists of six Directors including Mr. Lau Pak Man (Chairman and Chief Executive Officer), Mr. Cheng Wing Cheong and Ms. Kwan Kit Sum Kit as the executive Directors and Mr. Leung Chi Kin, Mr. Lam Chi Hung Louis and Mr. Yau Chi Man Norman (also known as Lao Chi Meng) as the independent non-executive Directors. Their names and biographical details are set in the section headed "Biographies of Directors and Senior Management" in this report. The overall management of the Company's operation was vested in the Board.

Save that Mr. Lau Pak Man and Ms. Kwan Kit Sum Kit are spouses, there are no financial, business, family or other material relationships among members of the Board.

During the year ended 31 March 2020, the Board has at all times met the requirements of Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The three independent non-executive Directors represent half of the Board, the proportion of which is higher than what is required by Rule 3.10A of the Listing Rules whereby independent non-executive directors of a listed issuer must represent at least one-third of the board. The Board believes there is sufficient independence element in the Board to safeguard the interest of shareholders of the Company.

Directors' Responsibilities

The Board takes the responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitor the performance of the senior executives. The Directors have to make decisions objectively in the interests of the Company.

Liability insurance for the Directors and senior management officers of the Company was maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties.

(A) 董事會

董事會組成

董事會由六名董事組成，包括執行董事劉伯文先生(主席兼行政總裁)、鄭榮昌先生及關潔心女士以及獨立非執行董事梁梓堅先生、林志雄先生及丘子敏先生。彼等的姓名及履歷詳情載於本報告「董事及高級管理人員履歷」一節。董事會負責本公司的整體營運管理。

除劉伯文先生及關潔心女士為夫妻外，董事會成員概無財務、業務、家族或其他重大關係。

截至二零二零年三月三十一日止年度，董事會一直遵守上市規則第3.10(1)及(2)條所載有關最少委任三名獨立非執行董事及最少其中一名獨立非執行董事須具備適當之專業資格或會計或相關財務管理專長之規定。

三名獨立非執行董事相當於董事會一半成員人數，比例高於上市規則第3.10A所規定。據規定，上市發行人之獨立非執行董事須佔董事會至少三分之一成員人數。董事會相信，董事會成員的組成有足夠之獨立性以保障本公司股東利益。

董事責任

董事會的職責為監督本公司所有主要事務，包括制定及批准所有政策事務、整體策略、內部監控及風險管理系統，以及監察高級行政人員的表現。董事須以本公司之利益作出客觀的決定。

本公司已為董事及高級管理人員購買責任保險，就彼等履行職責時引起的任何法律責任提供保障。

Corporate Governance Report (continued) 企業管治報告(續)

(A) THE BOARD (continued) Delegation by the Board

The management, consisting of executive Directors along with other senior executives, is delegated with responsibilities for implementing the strategy and direction as adopted by the Board from time to time, and conducting the day-to-day operations of the Group. Executive Directors and senior executives meet regularly to review the performance of the businesses of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board also gives clear directions as to their powers of management including circumstances where the management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules as its own code of conduct of dealings in securities of the Company by Directors (the "Model Code"). Upon specific enquiries of all the Directors, each of them confirmed that he/she has complied with the required standards set out in the Model Code during the Financial Year 2019/20.

Independent Non-Executive Directors

The independent non-executive Directors play a significant role in the Board by virtue of their independent judgement and their views carry significant weight in the Board's decision. They bring an impartial view on issues of the Company's strategies, performance and control.

All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advice to the Board.

The Board also considers that the independent non-executive Directors can provide independent advice on the Company's business strategies, results and management so as to safeguard the interests of the Company and its shareholders.

(A) 董事會(續) 董事會轉授權力

董事會授權管理層(由執行董事及其他高級行政人員組成)，負責實行由董事會不時採納的策略及方針，並處理本集團日常營運業務。執行董事及高級行政人員定期會面，檢討本集團整體的業務表現、協調整體資源及作出財務及營運決定。董事會亦對於彼等之管理權力，包括管理層須向董事會作報告的情況，作出清晰的指引，並會定期檢討轉授權力的安排，確保一直切合本集團的需要。

遵守董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則作為董事買賣本公司證券的操守準則(「標準守則」)。經向全體董事作出特定查詢後，各董事均確認彼於二零一九/二零財政年度已遵守標準守則所載的規定標準。

獨立非執行董事

獨立非執行董事憑藉獨立判斷於董事會擔任重要角色，其意見對於董事會的決策舉足輕重，並就本公司的策略、績效及監控提供不偏不倚的意見。

全體獨立非執行董事擁有廣泛的學術、專業及行業專長以及管理經驗，向董事會提供專業意見。

董事會亦認為獨立非執行董事能就本公司業務策略、業績及管理方面提供獨立意見，以保障本公司及其股東之利益。

Corporate Governance Report (continued) 企業管治報告(續)

(A) THE BOARD (continued) Independent Non-Executive Directors (continued)

All independent non-executive Directors are appointed for a term of three years commencing from 26 March 2015. All of their appointments are extended for three years commencing from 16 April 2018. None of the independent non-executive Directors held any other offices in the Company or any of its subsidiaries or is interested in any shares of the Company. All independent non-executive Directors have confirmed their independence to the Company in accordance with Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors are independent.

Appointment, Re-election and Removal of Directors

Each of the executive Directors and independent non-executive Directors has entered into a service contract or a letter of appointment with the Company for a specific term. Such term is subject to his/her re-election by the Company at an annual general meeting ("AGM") upon retirement. Article 112 of the Articles provides that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office only until the first general meeting of the members of Company and shall then be eligible for re-election at such meeting.

In accordance with Article 108 of the Articles, at each AGM of the Company, one-third of the Directors for the time being shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and, being eligible, offer themselves for re-election. Mr. Lam Chi Hung Louis and Mr. Yau Chi Man Norman shall retire from office by rotation at the next AGM and, being eligible, will offer themselves for re-election at the said meeting.

The members of the Company may, at any general meetings convened and held in accordance with the Articles, remove a Director by ordinary resolution at any time before the expiration of his/her period of office notwithstanding anything contrary in the Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his/her stead.

(A) 董事會(續) 獨立非執行董事(續)

所有獨立非執行董事獲委任，任期自二零一五年三月二十六日起計為三年。彼等之任期均由二零一八年四月十六日起延長三年。概無任何獨立非執行董事於本公司或其任何附屬公司擔任任何其他職位，亦並無於本公司任何股份中擁有權益。全體獨立非執行董事已按照上市規則第3.13條向本公司確認彼等之獨立性。本公司認為全體獨立非執行董事均為獨立人士。

董事之委任、重選及罷免

每名執行董事及獨立非執行董事均與本公司以指定任期訂立服務合約或簽訂委任函，並於本公司日後股東週年大會（「股東週年大會」）告退及膺選連任。章程細則第112條列明，任何由董事會委任以填補董事會臨時空缺的董事，任期僅直至本公司首次股東大會為止，屆時於該大會上合資格膺選連任。

按照章程細則第108條，於本公司每屆股東週年大會上，佔當時董事人數三分之一之董事須輪席告退，惟各董事（包括以指定任期委任之董事）須最少每三年輪席告退一次，屆時均符合資格並願意膺選連任。林志雄先生及丘子敏先生將於下一屆股東週年大會上輪席退任，並合資格及將於該大會上膺選連任。

本公司股東可於按照章程細則召開及舉行的任何股東大會上以普通決議案隨時罷免一名任期並未屆滿的董事，而不論章程細則或本公司與該名董事之間訂立之任何協議有相反規定，彼等亦可以普通決議案選舉另一名人士代替其職位。

Corporate Governance Report (continued)

企業管治報告(續)

(A) THE BOARD (continued)

Board Meetings

The Board meets regularly to discuss and formulate the overall strategy as well as the operation and financial performance of the Group. Directors may participate either in person or through electronic means of communications.

The Board had convened five regular meetings during the year. The attendance of the respective Directors to the Board meetings and the AGM are set out below:

(A) 董事會(續)

董事會會議

董事會定期會面商討及制定本集團的整體策略以及營運及財務表現。董事可親自出席或以電子通訊方式參與會議。

董事會於本年度已召開五次定期會議。各董事出席董事會會議及股東週年大會的記錄載列如下：

		Attendance/Number of meetings held	
		出席次數/舉行會議次數	
		Regular	
		Board meetings	AGM
		定期董事會會議	股東週年大會
Executive Directors	執行董事		
Mr. Lau Pak Man (Chairman and Chief Executive Officer)	劉伯文先生 (主席及行政總裁)	5/5	1/1
Mr. Cheng Wing Cheong	鄭榮昌先生	5/5	1/1
Ms. Kwan Kit Sum Kit	關潔心女士	5/5	1/1
Independent Non-Executive Directors	獨立非執行董事		
Mr. Leung Chi Kin	梁梓堅先生	5/5	1/1
Mr. Lam Chi Hung Louis	林志雄先生	5/5	1/1
Mr. Yau Chi Man Norman (also known as lao Chi Meng)	丘子敏先生	5/5	1/1

All Directors received training in the form of seminar and provision of training materials to ensure that he/she is fully aware of his/her duties and responsibilities as a director under applicable rules and requirements. All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills.

全體董事以研討會的形式接受培訓並獲提供培訓材料，確保其充分理解其於適用規則及規定下身為董事的職責及責任。本公司鼓勵全體董事參與持續專業發展，以發展及更新彼等的知識及技能。

Corporate Governance Report (continued)
企業管治報告 (續)**(A) THE BOARD (continued)**
Board Meetings (continued)

The Company Secretary updates Directors on the latest developments and changes to the Listing Rules and the applicable legal and regulatory requirements regarding subjects necessary in the discharge of their duties.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities.

Directors are required to submit to the Company annually details of training sessions undertaken by them in each financial year for the Company to maintain a training record for its Directors. According to the training records maintained by the Company, the training received by each of the Directors during the year ended 31 March 2020 is summarized as follows:

Name of Director	董事姓名	Type of trainings 培訓類型
Executive Directors		
Mr. Lau Pak Man	劉伯文先生	A, B
Mr. Cheng Wing Cheong	鄭榮昌先生	A, B
Ms. Kwan Kit Sum Kit	關潔心女士	A, B
Independent Non-Executive Directors		
Mr. Leung Chi Kin	梁梓堅先生	A, B
Mr. Lam Chi Hung Louis	林志雄先生	A, B
Mr. Yau Chi Man Norman (also known as lao Chi Meng)	丘子敏先生	A, B
A:	attending seminars/conferences/workshops/forums	A: 參加研討會／會議／工作坊／論壇
B:	reading newspapers, journals and updates relating to the economy, environmental protection business or director's duties and responsibilities etc.	B: 閱讀與經濟、環保業務或董事職責及責任等有關的報章、期刊及最新資料

(A) 董事會 (續)
董事會會議 (續)

公司秘書就上市規則之最新發展及變動，以及有關履行董事職責之必須事務之適用法例及監管規定，向董事提供最新資料。

本公司鼓勵所有董事參加持續專業發展，以發展並更新彼等之知識及技能。董事持續獲得有關法例及監管制度發展以及業務環境變動之最新資料，以便彼等履行職責。

董事須每年向本公司提供彼等於各財政年度參與培訓環節之詳情，讓本公司為董事存置培訓記錄。根據本公司存置之培訓記錄，各董事於截至二零二零年三月三十一日止年度接受之培訓概述如下：

Corporate Governance Report (continued)

企業管治報告(續)

(A) THE BOARD (continued)

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the Code.

Board Committees

The Board has established three committees and has delegated various responsibilities to the committees including the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee"). All the Board committees perform their distinct roles in accordance with their respective terms of reference which are available to shareholders of the Company on the websites of both the Company and the Stock Exchange. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

(A) 董事會(續)

企業管治職能

董事會負責履行的企業管治職務包括：

- (a) 發展及審閱本公司企業管治政策及常規；
- (b) 審閱及監督董事及高級管理人員的培訓及持續專業發展；
- (c) 審閱及監督本公司政策及常規，以遵守法律及監管規定；
- (d) 發展、審閱及監督適用於僱員及董事的操守準則及合規手冊(如有)；及
- (e) 檢討本公司有否遵守守則。

董事委員會

董事會轄下已成立三個委員會，並將各種職責分派至各委員會，分別為審核委員會(「審核委員會」)、薪酬委員會(「薪酬委員會」)及提名委員會(「提名委員會」)。全部董事委員會均按其各自的職權範圍履行其特定的職務，而該職權範圍於本公司及聯交所網站可供本公司股東查閱。董事委員會有充足資源以履行其職責，另在合理要求下，可由本公司付費在適合情況下尋求獨立專業意見。

Corporate Governance Report (continued)
企業管治報告 (續)**(A) THE BOARD (continued)**
Audit Committee

The Company established the Audit Committee on 26 March 2015 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are to make recommendations to the Board on appointments and removal of external auditors; review and to supervise the financial reporting process and the effectiveness of the Group's internal controls and risk management. The Audit Committee meets regularly with management and external auditors in reviewing the interim and annual reports of the Company before submission to the Board for approval.

The Audit Committee consists of three independent non-executive Directors, namely Mr. Leung Chi Kin (being the chairman of the Audit Committee), Mr. Lam Chi Hung Louis and Mr. Yau Chi Man Norman (also known as lao Chi Meng). In compliance with Rule 3.21 of the Listing Rules, the chairman of the Audit Committee possesses the appropriate professional and accounting qualifications.

The Audit Committee convened three meetings during the year with attendance of each member as follows:

		Attendance/Number of meetings held
		出席次數／舉行會議次數
Mr. Leung Chi Kin (<i>Chairman</i>)	梁梓堅先生 (主席)	3/3
Mr. Lam Chi Hung Louis	林志雄先生	3/3
Mr. Yau Chi Man Norman (also known as lao Chi Meng)	丘子敏先生	3/3

(A) 董事會 (續)
審核委員會

本公司於二零一五年三月二十六日成立審核委員會，並遵照上市規則第3.21條及上市規則附錄十四守則第C.3段的規定，訂立書面職權範圍。審核委員會的主要職責為就外部核數師的委任及罷免向董事會提供建議；審閱及監察財務申報過程及本集團內部監控及風險管理效能。審核委員會與管理層及外部核數師定期會面，在向董事會提呈本公司中期及年度報告供批准前，審閱該等中期及年度報告。

審核委員會由三名獨立非執行董事組成，包括梁梓堅先生（審核委員會主席）、林志雄先生及丘子敏先生。遵照上市規則第3.21條規定，審核委員會主席具備適當專業及會計資歷。

審核委員會於本年度舉行三次會議，各成員出席記錄如下：

Corporate Governance Report (continued)

企業管治報告(續)

(A) THE BOARD (continued) Remuneration Committee

The Company established the Remuneration Committee on 26 March 2015 with written terms of reference in compliance with paragraph B.1 of the Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group; review performance based remuneration; and ensure none of our Directors determine their own remuneration.

The Remuneration Committee consists of 3 members, being Mr. Yau Chi Man Norman (also known as lao Chi Meng) (being the chairman of the Remuneration Committee), Ms. Kwan Kit Sum Kit and Mr. Leung Chi Kin.

The Remuneration Committee convened one meeting during the year with the attendance of each member as follows:

(A) 董事會(續) 薪酬委員會

本公司於二零一五年三月二十六日成立薪酬委員會，並遵照上市規則附錄十四所載守則第B.1段的規定，訂立書面職權範圍。薪酬委員會的主要職責為就本集團所有董事及高級管理層的整體薪酬政策及架構向董事會提供建議、檢討按表現釐定的薪酬，以及確保董事並無釐定其本身的薪酬。

薪酬委員會由三名成員組成，即丘子敏先生(薪酬委員會主席)、關潔心女士及梁梓堅先生。

薪酬委員會於本年度舉行一次會議，各成員出席記錄如下：

		Attendance/Number of meetings held
		出席次數／舉行會議次數
Mr. Yau Chi Man Norman (also known as lao Chi Meng) (<i>Chairman</i>)	丘子敏先生(主席)	1/1
Ms. Kwan Kit Sum Kit	關潔心女士	1/1
Mr. Leung Chi Kin	梁梓堅先生	1/1

Corporate Governance Report (continued)
企業管治報告(續)**(A) THE BOARD (continued)**
Remuneration Committee (continued)

Pursuant to code provision B.1.5 of the Code, the annual remuneration (including bonus) of the members of the senior management of the Group by band for the year ended 31 March 2020 is set out below:

Remuneration Band
薪酬範圍

Up to HK\$1,000,000

1,000,000港元或以下

1

Nomination Committee

The Company established the Nomination Committee on 26 March 2015 with written terms of reference in compliance with paragraph A.5 of the Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and the management of the Board succession.

The Nomination Committee consists of 3 members, being Mr. Lam Chi Hung Louis (being the chairman of the Nomination Committee), Mr. Cheng Wing Cheong and Mr. Yau Chi Man Norman (also known as Iao Chi Meng).

The Nomination Committee convened one meeting during the year with the attendance of each member as follows:

(A) 董事會(續)
薪酬委員會(續)

根據守則之守則條文第B.1.5條，於截至二零二零年三月三十一日止年度，本集團高級管理人員之年度薪酬(包括花紅)按範圍載列如下：

Number of Senior Management
高級管理人員數目**提名委員會**

本公司於二零一五年三月二十六日成立提名委員會，並遵照上市規則附錄十四所載守則第A.5段的規定，訂立書面職權範圍。提名委員會的主要職責為就委任董事向董事會提供建議及管理董事會的繼任事宜。

提名委員會由三名成員組成，即林志雄先生(提名委員會主席)、鄭榮昌先生及丘子敏先生。

提名委員會於本年度舉行一次會議，各成員出席記錄如下：

Corporate Governance Report (continued)

企業管治報告(續)

(A) THE BOARD (continued) Nomination Committee (continued)

(A) 董事會(續) 提名委員會(續)

		Attendance/Number of meetings held
		出席次數/舉行會議次數
Mr. Lam Chi Hung Louis (<i>Chairman</i>)	林志雄先生(主席)	1/1
Mr. Cheng Wing Cheong	鄭榮昌先生	1/1
Mr. Yau Chi Man Norman (also known as lao Chi Meng)	丘子敏先生	1/1

Board Diversity Policy

The Company has adopted a board diversity policy (the "Policy") which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to the talent, skill, regional and industry experience, background, gender and other qualities.

The Board will consider putting in place measurable objectives to implement the Policy and review such objectives annually to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

The Nomination Committee will review the Policy annually to ensure its continued effectiveness.

董事會成員多元化政策

本公司已採納董事會成員多元化政策(「該政策」)，當中載列為達致及維持董事會成員多元化以提升董事會之有效性而採取之方針。

根據該政策，本公司擬透過考慮多項因素(包括但不限於才能、技能、地區及行業經驗、背景、性別及其他資歷)以達致董事會成員多元化。

董事會將考慮落實可計量目標以實施該政策，並每年檢討該等目標以確保其合適度及確定達致該等目標之進度。

提名委員會將每年檢討該政策，以確保其持續有效。

Corporate Governance Report (continued)
企業管治報告 (續)**(B) FINANCIAL REPORTING AND
INTERNAL CONTROL****Financial Reporting**

The Directors acknowledge their responsibilities for preparing the financial statements of the Group for the year ended 31 March 2020 in accordance with statutory requirements and applicable accounting standards. The Directors also acknowledge their responsibilities to ensure that the financial statements of the Group are published in a timely manner. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis.

The reporting responsibilities of our Company's external auditors on the financial statements of the Group are set out in the "Independent Auditor's Report" in this report.

External Auditor's Remuneration

For the year ended 31 March 2020, the remunerations paid or payable to KPMG in respect of its audit services and non-audit services are HK\$1,180,000 and HK\$420,000, respectively. The non-audit services represent the service fee paid to KPMG for the review of interim results of the Group for the six months ended 30 September 2019. The Audit Committee was satisfied that the non-audit services in the Financial Year 2019/20 did not affect the independence of the auditor.

(B) 財務申報及內部監控**財務申報**

董事確認彼等的責任為根據法定要求及適用會計準則編製本集團截至二零二零年三月三十一日止年度的財務報表。董事亦確認彼等須負責確保本集團及時刊發財務報表。董事並不知悉有任何會對本公司繼續持續經營之能力構成重大疑問之事件或狀況之重大不明朗因素。據此，董事已按持續經營基準編製本公司之財務報表。

本公司外聘核數師對本集團財務報表之申報責任載於本報告「獨立核數師報告」。

外聘核數師酬金

截至二零二零年三月三十一日止年度，本公司就畢馬威會計師事務所向本公司提供的審核服務及非審核服務已付或應付之酬金分別為1,180,000港元及420,000港元。非審核服務指畢馬威會計師事務所審閱本集團截至二零一九年九月三十日止六個月的中期業績獲支付的服務費。審核委員會信納，二零一九／二零財政年度非審核服務並不影響核數師之獨立性。

Corporate Governance Report (continued) 企業管治報告(續)

(B) FINANCIAL REPORTING AND INTERNAL CONTROL (continued)

Internal Control

The Board is responsible for the internal control of the Group and for reviewing its effectiveness. Procedures have been designed for safeguarding assets against unauthorized use or disposition, the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publications and the compliance of applicable laws, rules and regulations.

The Company does not have an internal audit function and has engaged an external consultant to conduct an assessment on the effectiveness of risk management and internal controls of the Group for the period from 1 January 2019 to 31 December 2019. The Board has conducted a review of the effectiveness of the internal control system of the Group and is satisfied that the Group has complied with the Code in respect of internal control from the date of Listing up to the date of this report. The internal control is reviewed and assessed on an on-going basis by the executive Directors, and will be further reviewed and assessed at least once each year by the Board.

Company Secretary

The Company has appointed Ms. Wong Sin Yi Reginia, who is an employee of the Company, as its company secretary. Ms. Wong has confirmed that for the year under review, she has taken no less than 15 hours of relevant professional training. The biography of Ms. Wong is set out in the section headed "Biographies of Directors and Senior Management" of this report.

(B) 財務申報及內部監控(續)

內部監控

董事會負責本集團的內部監控及檢討其成效，並設有程序以保障資產以防其未經授權使用或處置、確保適當保存賬簿記錄以提供可靠的財務資料供內部使用或發佈，並確保遵守適用法例、規則及規例。

本公司並無設立內部審核職能，而委任一名外聘顧問於二零一九年一月一日至二零一九年十二月三十一日期間內評估本集團風險管理及內部監控的有效性。董事會已檢討其內部監控系統的有效性，並對本集團自上市日期起直至本報告日期止就內部監控遵守守則感到滿意。執行董事會持續檢討及評估內部監控，董事會更會每年至少進行一次檢討與評估。

公司秘書

本公司已委任王倩儀女士(為本公司僱員)為公司秘書。王女士已確認，於回顧年度，彼已參加不少於15個小時的相關專業培訓。王女士的履歷載於本報告「董事及高級管理人員履歷」一節。

Corporate Governance Report (continued)
企業管治報告 (續)**(C) COMPANY SECRETARY AND
SHAREHOLDERS' RIGHTS**
Shareholders' Right

Pursuant to Article 64 of the Articles, extraordinary general meetings may be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

Subject to the provisions of the Articles, the Listing Rules, and the applicable laws and regulations, shareholders may propose a resolution at general meetings of the Company by following the "Procedures for Shareholders to Convene General Meetings" to convene an extraordinary general meeting and propose a resolution to be resolved at that extraordinary general meeting. Please refer to the document titled "Procedures for Shareholders to Convene General Meetings" on the Company's website for details.

(C) 公司秘書及股東權利**股東權利**

根據章程細則第64條，股東特別大會可由一名或多名股東要求召開，該等股東於提出要求當日須持有本公司實繳股本不少於十分之一並有權在股東大會上投票。有關要求須以書面形式向董事會或公司秘書提出，藉以要求董事會就處理有關要求所指明之任何事務而召開股東特別大會。有關會議須在遞交該要求後2個月內召開。如董事會在要求遞交日期起計21日內未有進行安排召開有關會議，則請求人(或多名請求人)可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而招致的所有合理費用，須由本公司補償請求人。股東可根據上述程序召開股東特別大會以處理有關書面要求提出的任何事務。

根據章程細則條文、上市規則及適用法例及法規，股東可遵照「股東召開股東大會之程序」於本公司股東大會上提呈決議案，以召開股東特別大會及提呈將於股東特別大會上決議的決議案。詳情請參閱本公司網站「股東召開股東大會之程序」一節的文件。

Corporate Governance Report (continued)

企業管治報告(續)

(C) COMPANY SECRETARY AND SHAREHOLDERS' RIGHTS (continued) Shareholders' Right (continued)

Pursuant to Article 113 of the Articles, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office of the Company. The period for lodgement of the notices required will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

Detailed procedures for shareholders to propose a person for election as a Director are available on the Company's website.

Constitutional Documents

There was no change to the Company's constitutional documents since the Listing Date. The Articles are available on the websites of both the Company and the Stock Exchange.

Enquiries to the Board

Enquiries may be put to the Board through the Company's principal place of business in Hong Kong at 26/F, Park Avenue Tower, 5 Moreton Terrace, Causeway Bay, Hong Kong (email: info@incon.hk).

(C) 公司秘書及股東權利(續)

股東權利(續)

根據章程細則第113條，除非獲董事推薦膺選外，否則除會上退任董事外，概無任何人士合資格於任何股東大會上膺選董事，惟已發出書面通知表明建議提名相關人士膺選董事，亦附上獲提名人士簽署的書面通知表明願意膺選，交予本公司總辦事處或過戶登記處除外。發出所要求通知的限期，將自不早於寄發有關推選董事之股東大會通告翌日起至不遲於該股東大會舉行日期前七日，惟可向本公司發出通知的期限不得少於七日。

股東提名個別人士參選董事的詳細程序於本公司網站可供查閱。

章程文件

自上市日期起，本公司的章程文件概無變動。章程細則於本公司及聯交所網站可供查閱。

向董事會作出查詢

股東可透過本公司的香港主要營業地點向董事會作出查詢，地址為香港銅鑼灣摩頓臺5號百富中心26樓(電郵：info@incon.hk)。

Environmental, Social and Governance Report 環境、社會及管治報告

We are pleased to present this Environmental, Social and Governance (“ESG”) Report for the year ended 31 March 2020 in compliance with the applicable code provision set out in the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) as set out in Appendix 27 to the Listing Rules. Information on the environmental and social aspects of the report is set out below whilst information on the governance aspect is set out in the Corporate Governance Report on pages 31 to 45. During the year ended 31 March 2020, the Company has complied with the “comply or explain” provisions set out in the ESG Guide.

We strive to offer our customers a high degree of service, quality control and site management in all our foundation and construction work. We are also committed to fulfill our corporate social responsibility through working with the key stakeholders including our employees, suppliers and sub-contractors. We believe that the stakeholders’ interest must be taken into account in order to enhance our relationship with the society and other stakeholders. We have integrated Environmental, Social and Governance considerations into daily operations and we believe that our existing businesses are not expected to pose a material impact on the environment.

ENVIRONMENTAL Emissions and use of resources

We place an emphasis on environmental protection when undertaking our projects. Our environmental management system is accredited with ISO 14001. We have policies in place to reduce emissions and waste. We conserve resources for environmental and operating efficiency purposes.

Construction inert waste is disposed to public fill or other project sites for reuse, while non-inert waste is reused and recycled by qualified waste collectors. Wastewater is treated by wastewater treatment plant on site and recycled within site. Wastewater treatment system is adopted so as to avoid water discharge out of sites. Our teams are encouraged to switch off idle machineries to avoid energy wastage as well as greenhouse gas emissions. Certain types of machinery are only used during permitted hours to reduce noise impact to nearby residents. We conduct regular air monitoring for Total Suspended Particulates and noise monitoring for construction noise levels around the sites to meet the prescribed standards.

我們欣然呈列截至二零二零年三月三十一日止年度的環境、社會及管治（「環境、社會及管治」）報告，以遵守上市規則附錄27載列的環境、社會及管治報告指引（「環境、社會及管治指引」）所載適用守則條文。報告中有關環境及社會方面的資料載於下文，而有關管治方面的資料載於第31至45頁的企業管治報告。於截至二零二零年三月三十一日止年度，本公司已遵守環境、社會及管治指引載列的「不遵守就解釋」條文。

我們致力在我們所有的基礎建設工作為客戶提供高質素的服務、品質監控和現場管理。我們亦通過與主要持份者（包括我們的僱員、供應商及分包商）一起工作，履行我們的企業社會責任。我們相信，為增強我們與社會及其他持份者的關係，必須顧及持份者的利益。我們將環境、社會及管治考慮因素融入至日常營運中，且我們相信，預計現有業務將不會對環境造成重大影響。

環境 排放及資源使用

我們在承接項目時重視環境保護。我們的環境管理系統獲得ISO 14001認證。我們制定了減少排放物及廢物的政策，並為環境及營運效益節約資源。

惰性建築廢物倒入公眾填料或其他項目工地以供回收重用，非惰性廢物由合資格廢物收集商重用及循環使用。污水由污水處理裝置在工地處理後工地循環再用。我們採用污水處理系統以避免水從工地排出。我們鼓勵團隊關掉閒置機器，避免浪費資源以及排放溫室氣體。若干類型的機器限於准予作業時間使用，以減少對鄰近居民造成的噪音影響。我們定期在工地周圍監控空氣中的總懸浮粒子及建築噪音水平，以符合規定標準。

Environmental, Social and Governance Report (continued)

環境、社會及管治報告(續)

ENVIRONMENTAL (continued)

Emissions and use of resources (continued)

We embrace the waste management principle of “Avoid, Reduce, Reuse and Recycle”. Our project team ensures efficient use of materials by well designed project plan and avoid over-ordering by accurate forecast on quantities. Excavated materials from construction sites are sorted, segregated and reused as fill materials as much as possible. Also, metal or timber materials for temporary works are re-used and recycled among our construction sites if possible. Through actively monitoring and managing the use of resources, we aim to reduce our operating costs as well as our carbon footprints.

環境(續)

排放及資源使用(續)

我們秉持「避免污染、物盡其用、廢物利用及循環再用」的廢物管理原則。項目團隊確保通過精心設計的項目計劃高效使用物料及通過準確預測數量，避免訂購過量物料。我們盡量將在建築地盤挖掘的物料分類、隔離及當作填料再用。此外，在可能情況下，臨時工程的金屬或木材物料可在我們的建築地盤重用及循環使用。通過積極地監控及管理資源使用，我們旨在減少經營成本以及碳足印。

Total Greenhouse Gas Emissions and Total Waste Produced in the Year

年內溫室氣體排放總量及所產生廢棄物總量

Emission/Waste 排放物/廢棄物	Item 項目	Unit 單位	Amount 數量	Intensity (per HK\$' million project turnover payment) 密度(每百萬港元 項目營業額 付款)
GHG Emissions 溫室氣體排放	Scope 1 (Direct Emission) 範圍1(直接排放)	Tonnes CO ₂ e 噸二氧化碳當量	4,447	11
	Scope 2 (Energy Indirect Emission) 範圍2(能源間接排放)	Tonnes CO ₂ e 噸二氧化碳當量	336	1
	Total (Scope 1 & 2) 總計(範圍1及2)	Tonnes CO ₂ e 噸二氧化碳當量	4,783	12
Non-hazardous Waste 無害廢棄物	Solid Waste 固體廢棄物	Tonnes 噸	306	1

Total Greenhouse Gas Emissions and Total Waste Produced in last year

去年溫室氣體排放總量及所產生廢棄物總量

Emission/Waste 排放物/廢棄物	Item 項目	Unit 單位	Amount 數量	Intensity (per HK\$' million project turnover payment) 密度(每百萬港元 項目營業額 付款)
GHG Emissions 溫室氣體排放	Scope 1 (Direct Emission) 範圍1(直接排放)	Tonnes CO ₂ e 噸二氧化碳當量	2,138	7
	Scope 2 (Energy Indirect Emission) 範圍2(能源間接排放)	Tonnes CO ₂ e 噸二氧化碳當量	175	1
	Total (Scope 1 & 2) 總計(範圍1及2)	Tonnes CO ₂ e 噸二氧化碳當量	2,313	8
Non-hazardous Waste 無害廢棄物	Solid Waste 固體廢棄物	Tonnes 噸	163	1

Environmental, Social and Governance Report (continued)

環境、社會及管治報告(續)

ENVIRONMENTAL (continued)
Emissions and use of resources (continued)

Total Resource Consumption in the Year

環境(續)
排放及資源使用(續)
年內資源消耗總量

Resource Category 資源類別	Unit 單位	Amount 數量	Intensity (per HK\$' million project turnover payment) 密度(每百萬港元 項目營業額 付款)
Electricity 電力	KWh 千瓦時	472,979	1,201
Diesel 柴油	Litres 升	1,701,410	4,319
Water 水	m ³ 立方米	31,501	80

Total Resource Consumption in last year

去年資源消耗總量

Resource Category 資源類別	Unit 單位	Amount 數量	Intensity (per HK\$' million project turnover payment) 密度(每百萬港元 項目營業額 付款)
Electricity 電力	KWh 千瓦時	246,172	807
Diesel 柴油	Litres 升	817,858	2,682
Water 水	m ³ 立方米	14,714	48

The Environment and Natural Resources

Our operating activities are in compliance with applicable environmental legislation and have no significant impact on the environment and natural resources. We regularly assess the environmental risks of our operation, and adopt preventive measures as necessary to reduce the risks and ensure the compliance of relevant laws and regulations.

When preparing the tender documents, we take into consideration the environmental protection requirements of potential customers as well as the relevant laws and regulations in relation to environmental protection. Throughout our operations, we comply with environmental protection requirements (e.g. applicable environmental legislation and BEAM Plus Scheme). In addition to regular environmental protection inspections, our projects are under close monitoring of independent environmental protection consultants.

環境及天然資源

我們的經營活動遵守適用的環境規例，並無對環境及天然資源造成重大影響。我們定期評估營運帶來的環境風險，並採取必要的預防措施以降低風險，並確保遵守相關法律法規。

於編製投標文件時，我們考慮準客戶的環境保護要求以及有關環保的相關法律法規。在整個營運期間，我們遵守環保規定(例如適用的環境規例及綠建環評計劃)。除定期進行環保視察外，我們的項目受獨立的環保顧問密切監控。

Environmental, Social and Governance Report (continued)

環境、社會及管治報告(續)

SOCIAL

Employment and Labor Practices

We consider employees as our valuable assets and we consider a respectful and fair working environment to be vital to the operation of the Group. We ensure strict compliance with all relevant regulatory standards, particularly the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) in respect of recruitment, compensation, and dismissal. We treat all the employees equally, and their employment, remuneration and promotion will not be affected by their social identities such as age, gender, marital status, family status, gender orientation, race, nationality or religion.

Employees are entitled to annual leave, sick leave and maternity leave. Employees enjoy provident fund scheme and other benefits such as overtime allowance, subject to the Group's policies. The level of compensation of our employees is reviewed annually on a performance basis with reference to the market standard. We motivate employees by promotion and salary increment based on results of annual performance appraisal, and to award discretionary bonus in addition to basic salary.

Health and Safety

We are determined to ensure that all construction works are carried out to achieve at practically high health and safety standards. We consider health and safety at work are the interests and responsibilities of both the Group and employees. Employees are required to take reasonable care for the health and safety of themselves and of others with a view to maintaining an injury-free workplace.

We are accredited with OHSAS 18001 (Occupational Health and Safety Assessment Series). All personnel shall comply with all relevant health and safety legislation as well as the requirements of OHSAS 18001.

社會

僱傭及勞工實務

我們視僱員為寶貴資產，並認為互相尊重及公平的工作環境對本集團營運至關重要。我們確保嚴格遵守所有相關監管標準，特別是有關招聘、薪酬及解僱的香港僱傭條例(香港法例第57章)。我們平等對待所有僱員，且彼等受僱、薪酬及晉升將不會受其年齡、性別、婚姻狀況、家庭狀況、性取向、種族、國籍或宗教等社會身份的影響。

僱員享有年假、病假及產假。我們為僱員設立公積金計劃及按照本集團政策，提供加班津貼等其他福利。我們每年參照市場標準，按表現檢討僱員的薪酬水平。我們基於年度表現評估結果，我們通過晉升及加薪激勵僱員，並在基本薪金以外授予酌情花紅。

健康及安全

我們矢志確保開展的所有建築工程達致高的健康及安全標準。我們認為，工作健康及安全乃本集團及僱員的權益及責任。僱員須合理關注其自身及他人的健康及安全，以盡量避免發生工傷意外。

我們獲授OHSAS 18001(職業健康及安全評估系列)認證。所有人員須遵守所有相關健康及安全法例以及OHSAS 18001規定。

Environmental, Social and Governance Report (continued)**環境、社會及管治報告(續)****SOCIAL (continued)****Health and Safety (continued)**

We have implemented a health and safety management system at the headquarter and at construction sites. We are committed to ensure that employees at all levels will receive appropriate safety training and are competent to carry out their safety duties. In particular, we provide site specific induction training programs for employees and sub-contractors to enhance their safety awareness, allocate safety officers to ensure that we satisfy the applicable laws and regulations requirements. The health and safety management system is carried out, monitored and reviewed by our safety committee.

There were no non-compliance cases noted in relation to health and safety laws and regulations during the year ended 31 March 2020.

社會(續)**健康及安全(續)**

我們在總部及建築工地實施健康及安全系統。我們承諾確保所有層次的僱員接受適當的安全培訓及能夠安全地工作。尤其是，我們為僱員及分包商提供特定的入職培訓計劃以提高其安全意識，委派安全主任以確保我們達致適用的法律及法規規定。健康及安全系統由我們的安全委員會執行、監控及檢討。

於截至二零二零年三月三十一日止年度，概無發生違反健康及安全法律法規的事件。

Work Injury Statistics	工傷統計數字	Result 結果
Work-related fatalities	工作相關死亡	
Number	人數	0
Rate (%)	比率(%)	0
Work injury	工傷	
Lost man-days	損失工作日數	0

Development and Training

We acknowledge the importance of training for the development of our employees as well as our Group. We provide appropriate training to enable employees to improve their job performance and to prepare them for future development in the Group. We believe this is a mutually beneficial practice for achieving both personal and corporate goals as a whole. In particular, induction sessions are provided for the employees on the information of safety. On-going safety training on the use of different machinery or toolbox is provided on a regular basis and records of such training is kept.

發展及培訓

我們確認為培育僱員以及發展本集團提供培訓的重要性。我們提供適當培訓以令僱員提升其工作表現並為其在本集團的未來發展作好準備。我們相信，這對達致個人及公司整體目標有互惠作用，尤其是為僱員提供有關安全資訊的入職講座。我們定期提供有關使用不同機器或工具箱的持續安全培訓，並存置培訓記錄。

Environmental, Social and Governance Report (continued) 環境、社會及管治報告(續)

SOCIAL (continued) Labour Standards

We do not employ under-age employees, and we do not engage in forced labour. We have implemented policies and procedures to prevent, monitor and report the use of child and forced labour. We expect our sub-contractors and suppliers to adhere to the same standards of behavior when working with us. We fully comply with relevant regulations that prohibit child or forced labour.

Supply Chain Management

We evaluate and select suppliers and sub-contractors based on a wide range of aspects and standards, including but not limited to the professional qualification, services/products quality, financial status and integrity. We also put much emphasis on the legal compliance of their operations in addition to cost consideration. We advocate the standards and expectations in respect of environment issues and labour practices to suppliers and sub-contractors, with the expectation that they will uphold standards that are similar to that of the Group.

Product and Service Responsibility

We have experience as a general and foundation contractor serving the Hong Kong building and construction industries. Over the last decades, we have completed projects both for the public and private sectors. In respect of our existing foundation business, we are a registered specialist contractor in the categories of foundation, demolition, site formation and ground investigation field works and registered general building contractor with the Buildings Department and are also on the list of approved suppliers of materials and specialist contractors of the Development Bureau for public works in the category of land piling (Group II).

We have achieved timely completion on all projects in the past by good management, technical knowledge and effective utilisation of plant, machinery and labour resources. Apart from above, we also provide services in Design & Build projects. We can offer our customers a high degree of service, quality control and site management in all our foundation and construction work and have the requisite knowledge of work practices and safety procedures required by the industry. We also pride ourselves on our high standard of reports and presentations.

社會(續) 勞工標準

我們並無僱用未成年僱員，亦無從事強迫勞動。我們執行政策及程序，防止、監控及匯報使用童工及強迫勞工。我們期望分包商及供應商與我們工作時遵守相同的行為標準。我們完全遵守禁止僱傭童工或強迫勞動的相關規例。

供應鏈管理

我們在多方面及按各種標準(包括但不限於專業資格、服務/產品質素、財務狀況及誠信)評估及甄選供應商及分包商。除了考慮成本外，我們亦非常看重其營運的法律合規情況。我們提倡供應商及分包商達致有關環境問題及勞工實務的標準及期望，希望其堅守與本集團類似的標準。

產品及服務責任

我們擁有作為服務香港建築及建造行業的一般及地基工程承建商的經驗。數十年來，我們已完成多項公營及私營機構的項目。就現時的地基工程業務而言，本集團為屋宇署地基、拆卸、地盤平整及現場土地勘測工程類別的註冊專門承建商及註冊一般建築承建商，亦名列發展局土地打樁(第II組)的認可公共工程物料供應商及專門承造商名冊。

過往通過良好的管理、技術知識及有效地利用廠房、機器及勞工資源，我們已按時完成所有項目。除上述者外，我們亦於設計及建造項目提供服務。我們可在所有我們的地基及建造工程中為客戶提供高水平的服務、品質監控及地盤管理，並擁有行業所要求的工作實務及安全程序的必要知識。我們亦為高水準的報告和展示而感到自豪。

Environmental, Social and Governance Report (continued)

環境、社會及管治報告(續)

SOCIAL (continued)

Anti-corruption

We aim to maintain high moral standards in conducting businesses. We believe in fairness and honesty in business dealing and we do not tolerate corruption, bribery, extortion, money-laundering and other fraudulent activities in connection with any of our business operations. Clear guidelines and code of conduct in the staff handbook are conveyed to the employees. We have also made available a whistle-blowing reporting channel to report any suspected fraud, malpractice, corruption, or any other unethical actions.

We have strictly adhered to relevant laws and regulations, including the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong). During the year ended 31 March 2020, there was no legal case or dispute in respect of bribery, extortion, fraud or money laundering against employees of the Group and the Group itself.

Community Investment

We recognise the need to participate in the community and therefore we both encourage and motivate our employees to better serve our community at work and during their personal time. Employees are encouraged to participate in community enhancement events such as volunteer and fundraising activities etc.

社會(續)

反貪污

我們旨在於進行業務時維持高道德標準。我們信奉公平及誠信的商業交易，不容忍在我們經營任何業務中的貪污、賄賂、勒索、清洗黑錢及其他欺詐活動。在員工手冊中已載有清晰的指引及操守準則。我們亦設立可用的舉報渠道以匯報任何涉嫌欺詐、不當行為、貪污或任何其他不道德的行為。

我們嚴格遵守相關法律法規，包括防止賄賂條例(香港法例第201章)。於截至二零二零年三月三十一日止年度，並無針對本集團僱員及本集團自身的有關賄賂、勒索、欺詐或清洗黑錢的法律案件或糾紛。

社區投資

我們認同需要參與社區，因此我們鼓勵及激勵僱員在工作及其個人時間投入服務社區。我們鼓勵僱員參與社區發展活動，例如義工及籌款活動等。



Independent Auditor's Report 獨立核數師報告

**Independent auditor's report to the shareholders of
In Construction Holdings Limited**
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of In Construction Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 61 to 135, which comprise the consolidated statement of financial position as at 31 March 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional 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.

**致現恆建築控股有限公司全體股東的獨立
核數師報告**
(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第61至135頁的現恆建築控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零二零年三月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零二零年三月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為編製。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就綜合審計財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)以及我們對開曼群島綜合財務報表的審計相關的道德要求，我們獨立於貴集團，並已履行這些道德要求以及守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理。我們不會對這些事項提供單獨的意見。

Independent Auditor's Report (continued) 獨立核數師報告(續)

KEY AUDIT MATTERS (continued)

Contract accounting estimates

Refer to accounting policies (2)(i) & (2)(p)(i) and notes 4 and 15 to the consolidated financial statements

The Key Audit Matter

The Group recorded revenue from the provision of foundation construction works in Hong Kong totalling HK\$393.9 million for the year ended 31 March 2020.

Contract revenue is recognised progressively over time using output method, based on direct measurements of the value of services delivered or surveys of work performed and the estimated total revenue for the contracts entered into by the Group. Contract costs are recognised when work is performed, together with any provisions for expected contract losses. The recognition of revenue and profit relies on management's estimate of the final outcome of each contract, which involves the exercise of significant management judgement, particularly in forecasting the costs to complete a contract, in valuing contract variations, claims and liquidated and ascertained damages, in estimating the amount of expected losses and in assessing the ability of the Group to deliver services according to the agreed timetable.

We identified contract accounting estimates as a key audit matter because the estimation of the total contract revenue and total costs to complete contracts is inherently subjective and requires significant management judgement and estimation and because errors in the forecast of contract revenue and contract costs could result in a material variance in the amount of profit or loss recognised from contracts to date and, therefore, in the current year.

關鍵審計事項(續)

合約會計估計

請參閱會計政策(2)(i) & (2)(p)(i)及綜合財務報表附註4和15

關鍵審計事項

截至二零二零年三月三十一日止年度，貴集團在香港提供基建工程錄得收益總計393.9百萬港元。

合約收益基於直接計量已交付服務或已開展工程測量的價值以及貴集團所訂立合約的估計總收益採用產出法隨時確認。合約成本於進行工作時連同預期合約虧損的任何撥備確認。收益及溢利的確認倚賴於管理層對各項合約的最終結果的估計，當中涉及行使重大管理層判斷，尤其是在預測完成合約的成本、評估合約變量、申索及協定及確定損害賠償、估計預期虧損金額以及評估貴集團根據協定的時間表提供服務的能力方面。

我們將合約會計估計確定為關鍵審計事項，因為總合約收益及完成合約的總成本估計原本具有主觀性且需要重大的管理層判斷及估計及由於合約收益及合約成本預測的錯誤可能會導致迄今為止（及因此於當前年度內）透過合約確認的損益金額出現重大差異。

How the matter was addressed in our audit

Our audit procedures to assess contract accounting estimates included the following:

- assessing the design and implementation of key internal controls over the contract revenue recognition processes;
- discussing with management the performance of all contracts in progress during the year and challenging the key estimates and assumptions adopted in the forecast of contract revenue and contract costs, including estimated costs to completion, the recognition of variation orders, the adequacy of contingency provisions and the assessment of potential liquidated and ascertained damages for contracts which were behind schedule, by obtaining and assessing information in connection the assumptions adopted, including contract agreements and sub-contracts, correspondence with customers regarding contract variations and claims and by considering historical outcomes for similar contracts;

我們的審計如何處理該事項

我們就評估合約會計估計進行的審計程序包括：

- 評估對合約收益確認流程的關鍵內部控制的設計及實施；
- 透過獲取及評估與所採納的假設有關係的資料（包括合約協議及分包合約、就合約變動及申索與客戶通信）以及透過考慮類似合約的歷史結果，與管理層討論年內所有正在進行的合約的績效並對在預測合約收益及合約成本時所採納的關鍵估計及假設提出質疑，包括估計的完成成本、合約變量的確認、應計經費的充足性及其對落後於預定計劃的潛在協定及確定損害賠償的評估；

Independent Auditor's Report (continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (continued)

The Key Audit Matter

How the matter was addressed in our audit

- obtaining a detailed breakdown of the total estimated costs to completion for all contracts in progress during the year and comparing, on a sample basis, actual costs incurred at the reporting date and future cost estimates with agreements, certifications or correspondence with sub-contractors and suppliers and other documentation referred to by management in its assessment of the estimated costs to completion;
- challenging the assumptions and critical judgements made by management which impacted their estimations of the liquidated and ascertained damages assessments by comparing the key terms and conditions in the assessments with contract agreements with customers and by comparing the estimated contract completion time with the Group's updated progress report or correspondence from customers;
- comparing the contract revenue recognised for all contracts in progress during the year with certifications from the surveyors appointed by the customers or payment applications from the in-house surveyor;

關鍵審計事項(續)

關鍵審計事項

我們的審計如何處理該事項

- 取得年內所有正在進行的合約的完成估計總成本的詳盡明細，並以抽樣方式比較於報告日期產生的實際成本和估計未來費用，與分包商及供應商間的協議、認證或通訊以及管理層在評估完成估計成本時提述的其他文件；
- 通過比較與評估客戶合約協議的主要條款及條件，並將估計的合約完成時間與貴集團更新的進度報告或客戶信函進行比較，對管理層作出的假設及重大判斷提出質疑，有關假設及重大判斷可影響對協定及確定損害賠償的估計；
- 將就年內正在進行的所有合約確認的合約收益與來自客戶委聘的測量師的認證或內部測量師的付款申請進行對比；

Independent Auditor's Report (continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (continued)

The Key Audit Matter

How the matter was addressed in our audit

- conducting site visits, on a sample basis, to observe the progress of individual contracts and discussing with site personnel the status of each project and evaluating whether the project progress was consistent with the agreed timetable and the Group's financial accounting records;
- performing a retrospective review for contracts completed during the current year by comparing the final outcome of the contracts with previous estimates made for those contracts to assess the reliability of the management's forecasting process; and
- inspecting a sample of contract agreements with customers and sub-contractors to identify key terms and conditions, including contracting parties, the contract period, contract sum, the scope of work, the methodology for calculating liquidated and ascertained damages, and evaluating whether these key terms and conditions had been appropriately reflected in the total estimated revenue and costs to complete in the forecast of the outcome of the contract.

關鍵審計事項(續)

關鍵審計事項

我們的審計如何處理該事項

- 按抽樣基準進行實地視察以觀察個別合約的進度，並與現場人員討論各個項目的狀態及評估項目進度與協定的時間表及貴集團的財務會計記錄是否一致；
- 通過將合約的最終結果與之前對該等合約作出的估計進行對比，對本年度完成的合約進行追溯審計，以評估管理層預測流程的可靠性；及
- 抽樣檢查與客戶及分包商的合約協議以確定關鍵條款及條件(包括訂約方、合約期、合約金額、工作範圍、協定及確定損害賠償之計算方法)並評估該等關鍵條款及條件是否根據合約預測結果於估計收益總額及完成成本中得到恰當的反映。

Independent Auditor's Report (continued) 獨立核數師報告(續)

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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.

綜合財務報表及其核數師報告以 外的資料

董事需對其他資料負責。其他資料包括刊載於年報內的全部資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他資料發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責 任

董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露要求編製真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會協助董事履行監督貴集團的財務報告過程的責任。

Independent Auditor's Report (continued) 獨立核數師報告 (續)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 HKSA's 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 HKSA's, 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.

核數師就審計綜合財務報表承擔 的責任

我們的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理鑒證，並出具包括我們意見的核數師報告。我們僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理鑒證是高水平的鑒證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計於當時情況下適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent Auditor's Report (continued) 獨立核數師報告(續)

AUDITOR'S 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

核數師就審計綜合財務報表承擔 的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

Independent Auditor's Report (continued) 獨立核數師報告 (續)

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

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Wai Ming.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

24 June 2020

核數師就審計綜合財務報表承擔 的責任 (續)

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是何偉明。

畢馬威會計師事務所 執業會計師

香港中環
遮打道10號
太子大廈8樓

二零二零年六月二十四日

Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度
(Expressed in Hong Kong Dollars) (以港元列示)

		Note	2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
		附註		
Revenue	收益	4	393,892	305,128
Direct costs	直接成本		(367,701)	(274,519)
Gross profit	毛利		26,191	30,609
Other revenue Administrative and other operating expenses	其他收益 行政及其他營運開支	5	1,968	6,183
			(22,586)	(24,282)
Profit from operations	經營溢利		5,573	12,510
Finance costs	融資成本	6(a)	(1,236)	(90)
Profit before taxation	除稅前溢利	6	4,337	12,420
Income tax	所得稅	7(a)	(580)	(1,851)
Profit and total comprehensive income for the year	年內溢利及 全面收益總額		3,757	10,569
Earnings per share (Hong Kong cents)	每股盈利(港仙)			
Basic and diluted	基本及攤薄	10	0.5	1.3

The notes on pages 66 to 135 form part of these financial statements.

第66至135頁的附註構成此等財務報表之一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2020 於二零二零年三月三十一日
(Expressed in Hong Kong Dollars) (以港元列示)

			2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
		Note 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	184	403
Lease receivables	應收租賃款項	17(a)	15,159	16,857
Deferred tax assets	遞延稅項資產	7(c)(ii)	69	42
			15,412	17,302
Current assets	流動資產			
Contract assets	合約資產	15(a)	189,499	128,742
Inventories	存貨		868	1,514
Lease receivables	應收租賃款項	17(a)	4,606	3,814
Trade and other receivables	貿易及其他應收款項	13	129,182	143,617
Tax recoverable	可收回稅項	7(c)(i)	4,187	3,574
Cash and bank balances	現金及銀行結餘	14(a)	46,125	45,611
			374,467	326,872
Current liabilities	流動負債			
Contract liabilities	合約負債	15(b)	4,027	2,238
Trade and other payables	貿易及其他應付款項	16	94,330	76,353
Lease liabilities	租賃負債	17(b)	4,615	3,814
Tax payable	應付稅項	7(c)(i)	93	-
Bank loan – secured	銀行貸款－抵押	18	10,000	-
Loan from a shareholder	股東貸款	19	13,000	-
			126,065	82,405
Net current assets	流動資產淨值		248,402	244,467
Total assets less current liabilities	總資產減流動負債		263,814	261,769

Consolidated Statement of Financial Position (continued)

綜合財務狀況表(續)

As at 31 March 2020 於二零二零年三月三十一日
(Expressed in Hong Kong Dollars) (以港元列示)

			2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
		Note 附註		
Non-current liability	非流動負債			
Lease liabilities	租賃負債	17(b)	15,145	16,857
NET ASSETS	資產淨值		248,669	244,912
CAPITAL AND RESERVES	資本及儲備	20		
Share capital	股本	20(c)	8,300	8,300
Reserves	儲備		240,369	236,612
TOTAL EQUITY	總權益		248,669	244,912

Approved and authorised for issue by the board of directors on 24 June 2020.

由董事會於二零二零年六月二十四日批准及授權刊發。

Lau Pak Man
Director

Cheng Wing Cheong
Director

劉博文
董事

鄭榮昌
董事

The notes on pages 66 to 135 form part of these financial statements.

第66至135頁的附註構成此等財務報表之一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度
(Expressed in Hong Kong Dollars) (以港元列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔				
		Share capital 股本 \$'000 千元	Share premium 股份溢價 \$'000 千元	Capital reserve 資本儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Total equity 總權益 \$'000 千元
At 1 April 2018	於二零一八年四月一日	8,300	75,453	(35,952)	186,542	234,343
Change in equity for 2019:	二零一九年權益變動：					
Profit and total comprehensive income for the year	年內溢利及 全面收益總額	-	-	-	10,569	10,569
At 31 March 2019 and 1 April 2019	於二零一九年三月三十一日 及二零一九年四月一日	8,300	75,453	(35,952)	197,111	244,912
Change in equity for 2020:	二零二零年權益變動：					
Profit and total comprehensive income for the year	年內溢利及 全面收益總額	-	-	-	3,757	3,757
At 31 March 2020	於二零二零年 三月三十一日	8,300	75,453	(35,952)	200,868	248,669

The notes on pages 66 to 135 form part of these financial statements.

第66至135頁的附註構成此等財務報之一部分。

Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 March 2020 截至二零二零年三月三十一日止年度
(Expressed in Hong Kong Dollars) (以港元列示)

	Note	2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
	附註		
Operating activities			
Cash used in operations	14(b)	(21,512)	(37,854)
Tax (paid)/refunded		(1,127)	11,419
Net cash used in operating activities		(22,639)	(26,435)
Investing activities			
Payment for the purchase of property, plant and equipment		(36)	(50)
Proceeds from sale of property, plant and equipment		2,600	3,400
Interest received		570	708
Capital element of lease rentals received		2,216	-
Interest element of lease rentals received		442	-
Decrease in restricted bank deposits		1,184	10,718
Net cash generated from investing activities		6,976	14,776
Financing activities			
Capital element of lease rentals paid	14(c)	(4,403)	-
Interest element of lease rentals paid	14(c)	(908)	-
Proceeds from loan from a shareholder	14(c)	13,000	-
Proceeds from bank loan	14(c)	10,000	-
Interest paid for bank overdrafts		(43)	(47)
Interest paid for bank loan	14(c)	(285)	-
Net cash generated from/(used in) financing activities		17,361	(47)
Net increase/(decrease) in cash and cash equivalents		1,698	(11,706)
Cash and cash equivalents at the beginning of the year		8,836	20,542
Cash and cash equivalents at the end of the year	14(a)	10,534	8,836

The notes on pages 66 to 135 form part of these financial statements.

第66至135頁的附註構成此等財務報表之一部分。

Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong Dollars) (以港元列示)

1 GENERAL INFORMATION

In Construction Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged as a contractor in the foundation industry in Hong Kong. The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 29 September 2014 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company’s shares were listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 16 April 2015.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

1 一般資料

現恆建築控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要作為承建商於香港從事地基業。本公司於二零一四年九月二十九日根據開曼群島法例第22章公司法(1961年第3號法例，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。

本公司股份於二零一五年四月十六日在香港聯合交易所「聯交所」上市。

2 重大會計政策

(a) 合規聲明

此等財務報表乃按照由香港會計師公會(「香港會計師公會」)頒佈之所有適用之香港財務報告準則(「香港財務報告準則」)(其為包括所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋之統稱)、香港公認會計原則以及香港公司條例之披露規定而編製。此等財務報表亦遵守聯交所證券上市規則(「上市規則」)之適用披露規定。以下披露本集團所採納的主要會計政策。

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則，該等準則於本集團當前會計期間首次生效或可供提早採納。附註2(c)提供與初次應用上述發展所引致會計政策之任何變動有關之資料，該等發展於本期間及以往會計期間對本集團而言屬相關並在此等財務報表中反映。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2020 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

2 重大會計政策(續)

(b) 編製財務報表的基準

截至二零二零年三月三十一日止年度之綜合財務報表包括本公司及其附屬公司。

編製此等財務報表乃以歷史成本法作為計量基準。

編製符合香港財務報告準則的財務報表，要求管理層作出可影響政策應用及所呈報資產、負債、收入及支出數額的判斷、估計及假設。這些估計及相關假設乃根據以往經驗和管理層因應當時情況認為合理的多項其他因素作出，其結果構成了管理層在無法依循其他途徑即時得知資產與負債的賬面值時所作出判斷的基礎。實際結果可能有別於估計數額。

估計及相關假設乃按持續基準檢討。倘會計估計的修訂僅影響某一期間，其影響將於該期間內確認，或倘修訂對當前和未來期間均有影響，則在作出修訂的期間和未來期間內確認。

管理層就應用對財務報表有重大影響的香港財務報告準則所作的判斷，以及估計不明朗因素的主要來源，乃於附註3中討論。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(c) Changes in accounting policies**

The HKICPA has issued a new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16, *Leases*

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases – incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low-value assets. The lessor accounting requirements are brought forward from HKAS 17 and remain substantially unchanged.

2 重大會計政策(續)**(c) 會計政策之變動**

香港會計師公會已頒佈一項新香港財務報告準則，香港財務報告準則第16號，*租賃*及多項香港財務報告準則修訂本，並於本集團本會計期間首次生效。

該等變化對本集團如何編製或呈列當前或過往期間的業績及財務狀況並無造成重大影響。本集團並未應用任何於本會計期間尚未生效的新訂準則或詮釋。

香港財務報告準則第16號，*租賃*

香港財務報告準則第16號取代香港會計準則第17號，*租賃*及相關詮釋、香港(國際財務報告詮釋委員會)第4號，*釐定安排是否包括租賃*、香港(準則詮釋委員會)第15號，*經營租賃—獎勵*及香港(準則詮釋委員會)第27號，*評估涉及租賃法律形式交易的內容*。其就承租人引入單一會計模式，並規定承租人就所有租賃確認使用權資產及應付租賃款項，惟租期為十二個月或以下的租賃(「短期租賃」)及低價值資產的租賃除外。出租人的會計規定則大致保留香港會計準則第17號的規定。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

HKFRS 16, Leases (continued)

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

- a. Lessee accounting
HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets.

As at 1 April 2019, all the operating lease commitments of the Group related to short-term leases or leases of low-value assets. The Group decided to apply recognition exemptions to short-term leases and leases of low-value assets. Hence, there is no impact on the financial statements.

- b. Lessor accounting
The Group leases out a number of items of machinery as the lessor of finance leases. The accounting policies applicable to the Group as a lessor remain substantially unchanged from those under HKAS 17.

2 重大會計政策(續)

(c) 會計政策之變動(續)

香港財務報告準則第16號，租賃(續)

有關過往會計政策變動的性質及影響以及所採用的過渡性選擇的進一步詳情載列如下：

- a. 承租人會計處理方法
香港財務報告準則第16號剔除先前香港會計準則第17號要求承租人將租賃分類為經營租賃或融資租賃的規定。反之，當本集團為承租人時，其須將所有租賃資本化，包括先前根據香港會計準則第17號分類為經營租賃的租賃，惟該等短期租賃及低價值資產的租賃除外。

於二零一九年四月一日，本集團全部經營租賃承擔均為短期租賃或租賃低價值資產。本集團決定對短期租賃及租賃低價值資產應用確認豁免。因此，對財務報表並無任何影響。

- b. 出租人會計處理方法
本集團作為融資租賃的出租人，出租多部機器項目。適用於本集團作為出租人的會計政策與香港會計準則第17號所適用的會計政策基本相同。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

**2 SIGNIFICANT ACCOUNTING POLICIES
(continued)****(d) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(g)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

2 重大會計政策(續)**(d) 附屬公司**

附屬公司為本集團所控制之實體。當本集團對其參與投資於實體所面對或擁有回報變化之權利及能夠對實體行使權力以影響回報金額時，則本集團已控制該實體。當評估本集團是否有權力時，只會考慮由本集團及其他各方所持有之實質性權利。

於附屬公司之投資自控制開始之日起至控制結束之日止綜合至綜合財務報表。集團內公司間的結餘、交易及現金流以及集團內公司間交易產生的任何未變現溢利於編製綜合財務報表時悉數抵銷。集團內公司間的交易所產生的未變現虧損僅在未出現減值跡象時以與抵銷未變現溢利相同的方法予以抵銷。

倘本集團失去一間附屬公司的控制權，列賬為出售其在該附屬公司的全部權益，由此產生的收益或虧損於損益內確認。於失去控制權當日在前附屬公司保留的任何權益按公平值確認，該金額將被視為初步確認金融資產時的公平值。

於本公司之財務狀況表中，於附屬公司之投資乃按成本扣除減值虧損列賬(見附註2(g))，除非該投資乃分類為持作出售(或計入分類為持作出售之出售組別)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses (see note 2(g)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

– Furniture and fixtures	5 years
– Leasehold improvements	Shorter of lease term and 5 years
– Motor vehicles	3 $\frac{1}{3}$ years
– Plant and machinery	5 years
– Office equipment	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2 重大會計政策(續)

(e) 物業、廠房及設備

物業、廠房及設備乃按成本減累計折舊及減值虧損列賬(見附註2(g))。

報廢或出售物業、廠房及設備所產生之損益乃以出售所得款項淨額與項目賬面金額之間之差額釐定，並於報廢或出售之日在損益中確認。

物業、廠房及設備之折舊是以直線法在以下估計可使用期限內撇銷其成本(扣除估計剩餘價值(如有))計算：

– 傢俬及裝置	5年
– 租賃物業裝修	於租賃期及5年(以較短者為準)
– 汽車	3 $\frac{1}{3}$ 年
– 廠房及機器	5年
– 辦公室設備	5年

倘一項物業、廠房及設備各部分之可使用年期並不相同，則該項目各部分之成本將按合理基礎分配，而每部分將作個別折舊。一項資產之可使用年期及剩餘價值(如有)將每年進行審閱。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) Leased assets**

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee*(A) Policy applicable from 1 April 2019*

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group, are primarily office equipment. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

2 重大會計政策(續)**(f) 租賃資產**

訂立合約時，本集團評估合約是否為租賃或包含租賃。如果合約賦予在一段時間內控制已識別資產的使用的權利以換取代價，則合約為租賃或包含租賃。當客戶有權指示已識別資產的使用，且從使用中獲取幾乎所有的經濟利益時，即表示擁有控制權。

(i) 作為承租人*(A) 自二零一九年四月一日起適用的政策*

於租賃開始日，本集團確認使用權資產和租賃負債，但租賃期為12個月或以下的短期租賃和低價值資產的租賃除外，就本集團而言主要為辦公室設備。當本集團就一項低價值資產訂立租賃時，本集團決定是否以逐項租賃為基礎將租賃資本化。與未資本化的租賃相關的租賃付款在租賃期內有系統地確認為開支。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leased assets (continued)

(i) As a lessee (continued)

(A) *Policy applicable from 1 April 2019 (continued)*

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

2 重大會計政策(續)

(f) 租賃資產(續)

(i) 作為承租人(續)

(A) *自二零一九年四月一日起適用的政策(續)*

若租賃被資本化，則租賃負債以租賃期內應付租賃付款的現值進行初始確認，並使用該項租賃的內含利率折現；或如果內含利率無法輕易釐定，則使用相關的增量借款利率。初始確認後，租賃負債以攤銷成本計量，且利息開支則採用實際利率法計算。不取決於指數或利率的可變租賃付款並不包含於租賃負債的計量中，並因此於其產生的會計期間計入損益。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) Leased assets (continued)****(i) As a lessee (continued)***(A) Policy applicable from 1 April 2019 (continued)*

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 2(g)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2 重大會計政策(續)**(f) 租賃資產(續)****(i) 作為承租人(續)***(A) 自二零一九年四月一日起適用的政策(續)*

租賃資本化時已確認的使用權資產按成本進行初始計量，其中包括租賃負債的初始金額加上任何於開始日或之前作出的租賃付款，以及產生的任何初始直接費用。在適用的情況下，使用權資產的成本亦包括將拆卸、搬移相關資產或復原相關資產或資產所在地點的費用估算折現至其現值，減去已收到的租賃優惠。使用權資產隨後按成本減去累計折舊和減值虧損列賬(參閱附註2(g))。

當指數或利率變動引起未來租賃付款發生變動；或本集團就餘值擔保下預計應付的金額發生變化；或由於重新評估本集團是否合理地行使購買、延期或終止選擇權而產生變化時，承租人重新計量租賃負債。當租賃負債以此方式重新計量時，對使用權資產的賬面值作出相應調整，或倘使用權資產的賬面值減記至零，則計入損益。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leased assets (continued)

(i) As a lessee (continued)

(B) Policy applicable prior to 1 April 2019

In the comparative period, as a lessee the Group classified leases as finance leases if the leases transferred substantially all the risks and rewards of ownership to the Group. Leases which did not transfer substantially all the risks and rewards of ownership to the Group were classified as operating leases.

Where the Group acquired the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets were recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, were recorded as obligations under finance leases. Depreciation was provided at rates which wrote off the cost of the assets over the term of the relevant lease or, where it was likely the Group would obtain ownership of the asset, the life of the asset, as set out in note 2(e). Impairment losses were accounted for in accordance with the accounting policy as set out in note 2(g). Finance charges implicit in the lease payments were charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

2 重大會計政策(續)

(f) 租賃資產(續)

(i) 作為承租人(續)

(B) 於二零一九年四月一日前適用的政策

於比較期間，作為承租人，倘租賃轉移所有權之絕大部分風險及回報至本集團，則本集團將有關租賃分類為融資租賃。並無將擁有權的絕大部分風險及回報轉移至本集團的租賃分類為經營租賃。

倘本集團以融資租賃獲得資產的使用權，便會將相當於租賃資產公平值或該資產的最低租賃付款現值(以較低者為準)的金額確認為物業、廠房及設備，而扣除融資費用後的相應負債則記錄為融資租賃承擔。如附註2(e)所述，折舊乃在相關租賃期(或倘本集團有可能取得資產的所有權，則按資產的可使用年期)內，按撇銷資產成本的比率作出撥備。減值虧損根據附註2(g)所載會計政策列賬。租賃付款內含的融資費用於租賃期內在損益扣除，使每個會計期間的融資費用佔承擔餘額的比率大致相同。或有租金在產生的會計期間在損益中列支。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) Leased assets (continued)****(i) As a lessee (continued)***(B) Policy applicable prior to 1 April 2019 (continued)*

Where the Group had the use of other assets held under operating leases, payments made under the leases were charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis was more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received were recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(p)(ii).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(f)(i), then the Group classifies the sub-lease as an operating lease.

2 重大會計政策(續)**(f) 租賃資產(續)****(i) 作為承租人(續)***(B) 於二零一九年四月一日前適用的政策(續)*

倘本集團以經營租賃獲得其他資產的使用權，則根據租賃作出的付款會在租賃期所涵蓋的會計期間內，以等額分期在損益中列支，惟倘有其他基準能更清楚反映租賃資產所產生的收益模式則除外。租賃所涉及的激勵措施均在損益中確認為租賃淨付款總額的組成部分。或有租金在其產生的會計期間內在損益中列支。

(ii) 作為出租人

倘本集團為出租人，其於租賃初始階段釐定一項租賃為融資租賃或經營租賃。倘租賃轉移相關資產的所有權附帶的絕大部分所有風險及報酬，該租賃應分類為融資租賃。倘不屬於該情況，該租賃被分類為經營租賃。

倘合約包括租賃及非租賃部分，本集團根據相對獨立的售價基準將合約代價分配予各部分。經營租賃產生的租金收入根據附註2(p)(ii)確認。

倘本集團為中間出租人，經參考總租約產生的使用權資產，分租被分類為融資租賃或經營租賃。倘總租約為短期租賃，本集團豁免遵守附註2(f)(i)所載規定，則本集團將分租分類為經營租賃。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for expected credit losses (“ECLs”) on the following items:

- financial assets measured at amortised cost (including cash and bank balances and trade and other receivables);
- contract assets as defined in HKFRS 15 (see note 2(i)); and
- lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate; and
- lease receivables: discount rate used in the measurement of the lease receivable.

2 重大會計政策(續)

(g) 信貸虧損及資產減值

(i) 來自金融工具及合約資產的信貸虧損

本集團就以下項目的預期信貸虧損確認虧損撥備：

- 按攤銷成本計量的金融資產(包括現金及銀行結餘以及貿易及其他應收款項)；
- 香港財務報告準則第15號所界定的合約資產(見附註2(i))；及
- 應收租賃款項。

預期信貸虧損的計量

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損以所有預期現金差額的現值(即根據合約應付予本集團的現金流量與本集團預計收取的現金流量之間的差額)計量。

倘貼現影響重大，則預期現金差額將採用以下貼現率貼現：

- 固定利率金融資產、貿易及其他應收款項以及合約資產：於初步確認時釐定的實際利率或其近似值；
- 可變利率金融資產：當前實際利率；及
- 應收租賃款項：以貼現率計量應收租賃款項。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Credit losses and impairment of assets (continued)****(i) Credit losses from financial instruments and contract assets (continued)***Measurement of ECLs (continued)*

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables, retentions receivable, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

2 重大會計政策(續)**(g) 信貸虧損及資產減值(續)****(i) 來自金融工具及合約資產的信貸虧損(續)***預期信貸虧損的計量(續)*

估計預期信貸虧損時所考慮的最長期間為本集團面對信貸風險的最長合約期間。

於計量預期信貸虧損時，本集團會考慮在毋需付出過多成本或努力下即可獲得的合理可靠資料。此包括有關過往事件、現時狀況及未來經濟狀況預測的資料。

預期信貸虧損採用以下之其中一項基準計量：

- 12個月預期信貸虧損：指報告日期後12個月內可能發生的違約事件而導致的預期虧損；及
- 全期預期信貸虧損：指預期信貸虧損模式適用項目的預計年期內所有可能違約事件而導致的預期虧損。

應收貿易賬款、應收保留金、應收租賃款項及合約資產的虧損撥備一直按等同於全期預期信貸虧損的金額計量。於報告日期，該等金融資產的預期信貸虧損乃根據本集團的過往信貸虧損經驗使用撥備矩陣進行評估，根據債務人的特定因素及對目前及預測一般經濟狀況的評估進行調整。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Measurement of ECLs (continued)

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2 重大會計政策(續)

(g) 信貸虧損及資產減值(續)

(i) 來自金融工具及合約資產的信貸虧損(續)

預期信貸虧損的計量(續)

就所有其他金融工具而言，本集團確認相等於12個月預期信貸虧損的虧損撥備，除非金融工具信貸風險自初步確認後大幅增加，在此情況下，虧損撥備乃按相等於全期預期信貸虧損的金額計量。

信貸風險大幅上升

評估金融工具的信貸風險自初步確認以來有否大幅上升時，本集團會比較於報告日期評估及於初步確認日期評估的金融工具發生違約的風險。於重新評估時，本集團認為，倘(i)於本集團未有採取追索行動，如變現抵押品(倘持有任何抵押品)的情況下，借款人全數履行其對本集團之信貸責任的可能性不大；或(ii)金融資產已逾期90天，則構成違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及毋需付出過多成本或努力即可獲得的前瞻性資料。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Credit losses and impairment of assets (continued)****(i) Credit losses from financial instruments and contract assets (continued)***Significant increases in credit risk (continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

2 重大會計政策(續)**(g) 信貸虧損及資產減值(續)****(i) 來自金融工具及合約資產的信貸虧損(續)***信貸風險大幅上升(續)*

於評估自最初的信貸風險是否大幅上升尤其會考慮以下資料：

- 未能按合約期支付本金或利息；
- 金融工具外部或內部信貸評級的實際或預期顯著惡化(如適用)；
- 債務人經營業績的實際或預期顯著惡化；及
- 科技、市場、經濟或法律環境的目前或預期變動對債務人履行其對本集團責任的能力有重大不利影響。

視乎金融工具的性质而定，信貸風險大幅上升的評估乃按個別基準或共同基準進行。倘評估為按共同基準進行，金融工具則按共同的信貸風險特徵(如逾期狀況及信貸風險評級)進行分組。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Significant increases in credit risk (continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 2(p)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2 重大會計政策(續)

(g) 信貸虧損及資產減值(續)

(i) 來自金融工具及合約資產的信貸虧損(續)

信貸風險大幅上升(續)

預期信貸虧損於各報告日期進行重新計量以反映金融工具自初步確認以來的信貸風險變動。預期信貸虧損金額的任何變動均於損益確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並通過虧損撥備賬對彼等之賬面值作出相應調整。

計算利息收入的基準

根據附註2(p)(iii)確認的利息收入乃按金融資產的總賬面值計算，除非該金融資產出現信貸減值，在此情況下，利息收入按金融資產的攤銷成本(即總賬面值減虧損撥備)計算。

於各報告日期，本集團評估金融資產是否出現信貸減值。當發生一項或多項對金融資產預計未來現金流量有不利影響的事件時，金融資產則出現信貸減值。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Credit losses and impairment of assets (continued)****(i) Credit losses from financial instruments and contract assets (continued)***Basis of calculation of interest income (continued)*

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2 重大會計政策(續)**(g) 信貸虧損及資產減值(續)****(i) 來自金融工具及合約資產的信貸虧損(續)***計算利息收入的基準(續)*

金融資產出現信貸減值的證據包括以下可觀察事件：

- 債務人有重大財務困難；
- 違反合約，如拖欠或逾期還款事項；
- 債務人可能破產或進行其他財務重組；或
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響。

撇銷政策

倘實際上並無收回的可能性，金融資產、應收租賃款項或合約資產的總賬面值會被撇銷(部分或全部)。此乃本集團認為債務人並無資產或收入來源可產生足夠現金流量以償還將予撇銷的款項之一般情況。

倘過往已撇銷的資產於其後收回，則於收回期間於損益確認為減值撥回。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment; and
- investment in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2 重大會計政策(續)

(g) 信貸虧損及資產減值(續)

(ii) 其他非流動資產減值

本集團於各報告期末審閱內部及外部資料來源，以確定以下資產是否存在減值跡象，或先前確認的減值虧損是否不再存在或可能已經減少：

- 物業、廠房及設備；及
- 本公司財務狀況表內於附屬公司投資。

倘存在任何上述跡象，則資產的可收回金額將予估計。

- 計算可收回金額

資產的可收回金額為其公平值減出售成本和使用價值兩者之間的較高者。在評估使用價值時，會按反映當時市場對貨幣時間價值及資產特定風險評估的稅前貼現率，將估計未來現金流量貼現至其現值。倘資產並無產生基本上獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產組別(即現金產生單位)來釐定可收回金額。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Credit losses and impairment of assets (continued)****(ii) Impairment of other non-current assets (continued)**

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2 重大會計政策(續)**(g) 信貸虧損及資產減值(續)****(ii) 其他非流動資產減值(續)**

– 確認減值虧損

倘資產或其所屬現金產生單位的賬面值超過其可收回金額時，則於損益賬中確認減值虧損。就現金產生單位確認的減值虧損會分配，以按比例減少單位(或該組單位)內資產的賬面值，惟某資產的賬面值不會減至低於其個別公平值減去出售成本(如可計量)或使用價值(如能釐定)。

– 撥回減值虧損

倘用作釐定可收回金額的估計出現正面的變化，則會撥回減值虧損。

所撥回的減值虧損僅限於在過往年度並未確認減值虧損時原應釐定的資產賬面值。所撥回的減值虧損在確認撥回的年內計入損益賬。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Credit losses and impairment of assets (continued)

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see note 2(g)(i)).

(h) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

2 重大會計政策(續)

(g) 信貸虧損及資產減值(續)

(iii) 中期財務報告及減值

根據上市規則，本集團須遵照香港會計準則第34號，*中期財務報告*，就財年的前六個月編製中期財務報告。於中期結束時，本集團應用財年結束時可能應用的相同減值測試、確認及撥回準則(見附註2(g)(i))。

(h) 存貨

存貨是指日常業務過程中持有以作銷售、處在為該等銷售的生產過程中，或在生產過程中或提供服務耗用的材料或物料形式持有的資產。

存貨按成本及可變現淨值的較低者列賬。

成本乃按先進先出法計算，並包括所有採購成本、轉化成本及其他使存貨達至現時所在地點及保持現有狀況所涉及之成本。

可變現淨值為在日常業務過程中的估計售價減去完成的估計成本以及完成銷售的估計成本。

在售出存貨後，該等存貨之賬面值會於確認相關收入之期間確認為開支。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(h) Inventories (continued)**

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(i) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2(p)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in note 2(g)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(j)).

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 2(p)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(j)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

2 重大會計政策(續)**(h) 存貨(續)**

將存貨減值至可變現淨值之減值金額和所有存貨虧損均在進行減值或虧損的期內確認為開支。任何存貨減值撥回金額應在撥回發生期間沖減開支。

(i) 合約資產及合約負債

合約資產於在本集團有權無條件獲取合約所載付款條款下的代價前確認收益(見附註2(p))時確認。合約資產按附註2(g)(i)所載政策就預期信貸虧損而獲評估，並在代價權利成為無條件後獲重新分類至應收款項(見附註2(j))。

合約負債於客戶在本集團確認相關收益前支付代價時確認(見附註2(p))。倘本集團有無條件權利在本集團確認相關收益前收取代價，則合約負債亦會獲確認。在相關情況下，相應應收款項亦會獲確認(見附註2(j))。

就與客戶的單一合約而言，淨合約資產或淨合約負債得以呈列。就多份合約而言，不相關合約的合約資產及合約負債不按淨額基準呈列。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 2(i)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(g)(i)).

(k) Trade and other payables

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

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

2 重大會計政策(續)

(j) 貿易及其他應收款項

應收款項於本集團具有無條件權利收取代價時確認。倘代價僅隨時間推移即會成為到期應付，則收取代價的權利為無條件。倘收益在本集團有無條件權利收取代價前已確認，則金額呈列為合約資產(見附註2(i))。

應收款項利用實際利率法按攤銷成本減信貸虧損撥備列賬(見附註2(g)(i))。

(k) 貿易及其他應付款項

貿易及其他應付款項初步按公平值確認。貿易及其他應付款項其後按攤銷成本列賬，惟倘貼現影響並不重大，則按成本列賬。

(l) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、存於銀行及其他金融機構的活期存款，以及短期高流通性投資。此等投資可隨時轉換為已知數額的現金，所承受的價值變動風險不大，並於購入後三個月內到期。就綜合現金流量表而言，構成本集團整體現金管理一部分並須按的要求即時償還之銀行透支，亦列作現金及現金等價物其中一項。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Employee benefits**

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(n) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2 重大會計政策(續)**(m) 僱員福利**

薪金、年度花紅、帶薪年假、界定供款退休計劃供款及非金錢福利成本於僱員提供相關服務年度內累計。倘延遲付款或結算並造成重大影響，則該等金額將按現值列賬。

(n) 所得稅

年度所得稅包括即期稅項以及遞延稅項資產及負債的變動。即期稅項以及遞延稅項資產及負債的變動於損益內確認，惟與於其他全面收益確認或直接於權益確認的項目有關者除外，於此情況下，有關稅項款項分別於其他全面收益確認或直接於權益確認。

即期稅項乃本年應課稅收入的預期應繳稅項(按於報告期末已頒佈或實質上已頒佈的稅率計算)以及以往年度應繳稅項的任何調整。

遞延稅項資產及負債分別源自可扣減及應課稅暫時差額，即作財務申報之用的資產及負債賬面值與彼等稅基之間的差額。遞延稅項資產亦源自未動用稅項虧損及未動用稅項抵免。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2 重大會計政策(續)

(n) 所得稅(續)

除若干為數不多的例外情況外，將確認所有遞延稅項負債及所有遞延稅項資產，惟限於可能有可利用資產抵扣的未來應課稅溢利的情況。可支持確認由可扣減暫時差額所產生遞延稅項資產的未來應課稅溢利包括因撥回現有應課稅暫時差額將產生的數額，惟該等差額須與同一稅務機關及同一應課稅實體有關，並預期在可扣減暫時差額預計撥回同一期間或遞延稅項資產所產生稅項虧損可向後期或向前期結轉期間內撥回。倘應課稅暫時差額與同一稅務機關及同一應課稅實體有關，並預期於可動用稅項虧損或抵免期間撥回，則釐定現有應課稅暫時差額是否足以支持確認未動用稅項虧損及抵免產生的遞延稅項資產時，亦採納同一準則。

遞延稅項資產和負債確認的有限例外情況包括：不得為稅項目的而扣減的商譽、不影響會計或應課稅溢利(如屬業務合併的一部分則除外)的資產或負債的初次確認產生的暫時性差異，以及於附屬公司的投資有關的暫時性差異。如屬應課稅差異，只限於本集團可以控制撥回的時間，而且在可預見的將來不大可能撥回的差異，或如屬可予扣減的差異，則只限於可在將來撥回的差異。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(n) Income tax (continued)**

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group or the Company has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group or the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2 重大會計政策(續)**(n) 所得稅(續)**

已確認遞延稅項金額乃按資產及負債賬面值的預期變現或結算方式，採用於報告期末已頒佈或實質上已頒佈的稅率計量。遞延稅項資產及負債不予貼現。

遞延稅項資產的賬面值會在各報告期末予以審閱，若日後不再可能有足夠應課稅溢利用以抵扣相關稅項利益，則扣減遞延稅項資產賬面值。若日後可能有足夠應課稅溢利用以抵扣，則撥回所扣減之數額。

即期稅項結餘及遞延稅項結餘以及相關變動，乃分別呈列且不會互相抵銷。僅於本集團或本公司有可合法強制執行之權利，將即期稅項資產抵銷即期稅項負債，而且符合以下額外條件時，即期及即期稅項資產和負債才會對銷：

- 就即期稅項資產及負債而言，本集團或本公司擬按照淨額基準結算，或同時變現資產及清償負債；或
- 就遞延稅項資產及負債而言，倘若這些遞延稅項資產及負債與同一個稅務當局所徵收的所得稅有關，而所得稅向：
 - 同一個應課稅實體徵收；或
 - 不同的應課稅實體徵收，而預期在未來各個期間結算或撥回相當數額之遞延稅項負債或資產，則擬按照淨額基準變現即期稅項資產及結算即期稅項負債，或同時進行變現及結算。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Provisions and contingent liabilities

(i) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Onerous contracts

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of continuing with the contract.

2 重大會計政策(續)

(o) 撥備及或然負債

(i) 撥備及或然負債

當本集團因過往事件而須承擔法律或推定責任，而履行該責任可能會導致經濟利益外流，並可作出可靠估計時，須確認撥備。倘貨幣時間價值重大，則有關撥備按履行責任預期所需開支的現值列賬。

倘不大可能需要流出經濟利益，或相關金額不能可靠估計，則須披露有關責任為或然負債，惟流出經濟利益的可能性極低者除外。倘可能承擔的責任須視乎一項或多項未來事件是否發生方會確定是否存在，則該等責任亦披露為或然負債，惟流出經濟利益的可能性極低者除外。

(ii) 虧損合約

當本集團為了履行合約規定之義務所產生不可避免的成本超過預期因該合約可獲取之經濟效益，則該合約成為虧損合約。虧損性合約的撥備按終止合約的預期成本與合約的預期持續成本淨額的現值較低者計算。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(p) Revenue and other income**

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Construction contract revenue

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on real estate assets under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the output method based on direct measurements of value of services delivered or surveys of work performed.

The likelihood of the Group in suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

2 重大會計政策(續)**(p) 收益及其他收入**

當收入來自於本集團日常業務過程中銷售貨品及、提供服務或其他人士使用本集團租賃資產，則本集團將該收入歸類為收益。

收益在產品或服務控制權按本集團預期有權獲取的承諾代價金額(不包括代表第三方收取的該等金額)轉讓予客戶或承租人有權使用資產時確認。收益不包括增值稅或其他銷售稅，並經扣減任何貿易折讓。

本集團收益及其他收入確認政策的進一步詳情如下：

(i) 建築合約收益

當合約與受客戶管控的房地產資產工程相關，故本集團建築活動創造或提升受客戶管控的資產時，本集團將與客戶的合約歸類為建築合約。

當建築合約的結果可合理計量時，合約收益基於直接計量已交付服務或已開展工程測量的價值採用產出法隨時間確認。

本集團因延遲完工遭受合約罰款的可能性於作出該等估計時獲考慮，並僅在已確認累計收益金額很可能不會大幅撥回時方會確認收益。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Revenue and other income (continued)

(i) Construction contract revenue (continued)

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised in accordance with the policy set out in note 2(o)(ii).

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset.

(iii) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

2 重大會計政策(續)

(p) 收益及其他收入(續)

(i) 建築合約收益(續)

當合約的結果不能合理計量時，僅在所產生的合約成本預期將會收回時方會確認收益。

倘於任何時間估計完成合約成本超過合約代價剩餘金額，則根據附註2(o)(ii)所載政策確認撥備。

(ii) 經營租賃之租金收入

經營租賃項下之應收租金收入乃於租賃期涵蓋之期間內以等額分期方式於損益確認，惟倘有其他基準更能代表使用租賃資產所得利益之模式則除外。

(iii) 利息收入

利息收入於產生時以實際利率法使用將金融資產之預計使用年期內之估計未來現金收入準確貼現為金融資產總賬面金額之利率確認。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(q) Borrowings**

Borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(r) Related parties

- (1) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.

2 重大會計政策(續)**(q) 借款**

借款最初是以公允值減交易成本計算。往後，附息借款按實際利率法以攤銷成本計算。

直接涉及收購、建造或生產資產(即須於較長時期後方能投入作擬定用途或出售者)的借款成本均會資本化作為該資產的部分成本。其他借款成本於其產生期間列作開支。

(r) 關聯方

- (1) 倘一名人士符合下列條件，則該名人士或其家庭近親成員與本集團有關聯：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Related parties (continued)

- (2) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities 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 (r)(1).
 - (vii) A person identified in (r)(1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (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 Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 重大會計政策(續)

(r) 關聯方(續)

- (2) 倘一家實體符合下列任何條件，則該實體與本集團有關聯：
- (i) 該實體與本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司相互關聯)。
 - (ii) 一家實體為另一實體的聯營公司或合營企業(或另一實體為成員公司的集團旗下成員公司的聯營公司或合營企業)。
 - (iii) 兩家實體均為同一第三方的合營企業。
 - (iv) 一家實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - (v) 實體為本集團或與本集團有關聯的實體就僱員福利設立的離職福利計劃。
 - (vi) 實體受(r)(1)所述人士控制或共同控制。
 - (vii) (r)(1)(i)所述人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
 - (viii) 實體或實體作為集團任何成員公司其中一部分向本集團或本集團的母公司提供主要管理人員服務。

某名人士的家庭近親成員指在與該實體進行交易的過程中預計會影響該名人士或受該名人士影響的家庭成員。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(s) Segment reporting**

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 重大會計政策(續)**(s) 分部報告**

本集團為分配資源予本集團各業務及地區及評估其表現，會定期向本集團最高級行政管理人員提供財務資料。財務資料與財務報表所呈報經營分部及各分部項目的金額相同。

個別重要的經營分部不會匯總作財務申報，除非有關分部具有類似經濟特徵且產品及服務性質、生產流程性質、客戶類型或類別、分銷產品或提供服務所採用的方法及監管環境的性質方面相似。倘並非個別重要的經營分部共同擁有上述大部分特徵，該等經營分部可予匯總呈報。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical accounting judgement in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgement:

Allowance for expected credit losses

The Group uses a provision of matrix to calculate ECLs for trade receivables, retentions receivable, lease receivables and contract assets. The provision rates are based on days past due for groupings of various debtors that have similar loss patterns. The provision matrix is based on management's estimate of the lifetime ECLs to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue customers, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement.

The provision of ECLs is sensitive to changes in circumstances and of forecast general economic conditions. The information about the ECLs and the Group's trade receivables, retentions receivable, lease receivables and contract assets are disclosed in note 21(a). If the financial condition of the customers or the forecast economic conditions were to deteriorate, actual loss allowance would be higher than estimated.

3 會計判斷及估計

(a) 應用本集團之會計政策時之重大會計判斷

於應用本集團之會計政策時，管理層已作出以下會計判斷：

預期信貸虧損撥備

本集團運用矩陣撥備計算應收貿易賬款、應收保留金、應收租賃款項及合約資產的預期信貸虧損。撥備率按具有類似虧損型態的不同債務人組別之逾期日數計算。撥備矩陣乃基於將產生的年內預期信貸虧損之管理層估算，其藉考量信貸虧損經驗、逾期客戶的賬齡、客戶還款記錄和客戶財務狀況及對目前和預測整體經濟局勢的評估來估量，當中各項均涉及重大程度的管理層判斷。

預期信貸虧損撥備對各種情況及預測整體經濟局勢變動敏感。有關預期信貸虧損的資料和本集團應收貿易賬款、應收保留金、應收租賃款項及合約資產於附註21(a)披露。倘客戶的財務狀況或預測經濟狀況行將惡化，則實際虧損撥備會高於估計額。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)**(b) Sources of estimation uncertainty****Construction contracts**

As explained in policy note 2(p)(i), revenue from construction contracts are recognised over time. Such revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date. The Group reviews and revises the estimates of contract revenue, contract costs and variation orders, prepared for each construction contract as the contract progresses. Budgeted construction costs are prepared by management on the basis of quotations from time to time provided by the major sub-contractors, suppliers or vendors involved and the experience of management. In order to keep the budget accurate and up-to-date, management conducts periodic reviews of the budgeted construction costs by comparing the budgeted amounts to the actual costs incurred.

Significant judgement is required in estimating the contract revenue, contract costs and variation work which may have an impact on revenue and profit recognised to date. In addition, actual outcomes in terms of total revenue or costs may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future periods as an adjustment to the amounts recorded to date.

3 會計判斷及估計(續)**(b) 估計不明朗因素來源****建築合約**

誠如政策附註2(p)(i)所述，來自建築合約的收益隨時間確認。就未完成項目確認的有關收益及溢利取決於對建築合約總結果及迄今已進行工程的估計。本集團於合約進行期間檢討及修訂就每一份建築合約編製的估計合約收益、合約成本及更改指示。管理層不時根據由所涉主要分包商、供應商或賣家提供的報價以及管理層的經驗編製建築成本預算。為保持預算準確及合時，管理層定期透過比較預算金額與實際產生的成本，檢討建築成本預算。

估計合約收益、合約成本及更改指示需要作出重大判斷，可能影響迄今已確認收益及溢利。此外，實際產生的收益或成本總額可能高於或低於報告期末的估計，繼而將會影響就未來期間確認的收益及溢利，作為對迄今記賬金額的調整。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

4 REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue represents revenue from construction contracts earned during the year.

At 31 March 2020, the aggregate amount of revenue expected to be recognised in the consolidated statement of profit or loss and other comprehensive income in the future from the Group's existing construction contracts amounted to \$587,544,000 (2019: \$608,621,000), which will be recognised when the work is performed and which is expected to occur over the next 1 year to 2 years (2019: over the next 1 year to 2 years).

The Group has applied practical expedient in paragraph 121 of HKFRS 15 to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date with performance obligation as part of a contract that has an original expected duration of one year or less.

(b) Segment information

The chief operating decision-maker regards the Group's business as a single operating segment and reviews financial statements accordingly. Also, the Group only engages its business in Hong Kong. Therefore, no segment information is presented.

4 收益及分部資料

(a) 收益

收益指於年內所賺取建築合約收益。

於二零二零年三月三十一日，本集團現有建築合約項下預期於未來的綜合損益及其他全面收益表確認的收益總額為587,544,000元(二零一九年：\$608,621,000元)，將於進行工程後確認，預期於未來1年至2年間發生(二零一九年：於1年至2年間)。

本集團已應用香港財務報告準則第15號第121段中的實用權宜方法，豁免就於報告日期存在，而當中部分履約責任的原預定期限為一年或以下的客戶合約，披露預計於日後確認的收益。

(b) 分部資料

主要經營決策者視本集團的業務為一個單一經營分部，並據此審閱財務報表。此外，本集團只於香港經營其業務。因此，並無呈列分部資料。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

4 REVENUE AND SEGMENT INFORMATION (continued)**(c) Information about major customers**

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

Customer A	客戶A
Customer B	客戶B
Customer C	客戶C
Customer D	客戶D

Note: Revenue from customers C and D for the year ended 31 March 2020 did not contribute over 10% of the total revenue of the Group.

4 收益及分部資料(續)**(c) 有關主要客戶之資料**

為本集團總收益帶來10%以上貢獻的客戶收益如下：

2020	2019
二零二零年	二零一九年
\$'000	\$'000
千元	千元
124,980	128,307
187,892	46,162
–	30,922
–	33,053

附註：客戶C及D截止二零二零年三月三十一日並沒有帶來超過本集團總收益10%或以上的收益。

5 OTHER REVENUE

Bank interest income	銀行利息收入
Interest income from lease receivables	應收租賃款項之利息收入
Sales of scrap materials	銷售廢料
Rental income from machinery	機械之租金收入
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損
Others	其他

5 其他收益

2020	2019
二零二零年	二零一九年
\$'000	\$'000
千元	千元
570	708
917	43
296	904
–	6,000
–	(1,532)
185	60
1,968	6,183

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

6 除稅前溢利

除稅前溢利已扣除以下各項：

	2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
(a) Finance costs	(a) 融資成本	
Interest on bank loan (note 14(c))	銀行貸款利息 (附註14(c))	285
Interest on lease liabilities (note 14(c))	租賃負債之 利息(附註14(c))	908
Interest on bank overdrafts	銀行透支利息	43
	43	47
	1,236	90
(b) Staff costs (including directors' remuneration)	(b) 員工成本 (包括董事薪酬)	
Contributions to defined contribution retirement plans	界定供款退休計劃供款	780
Salaries, wages and other benefits	薪金、工資及 其他福利	729
	28,727	24,298
	29,507	25,027
(c) Other items	(c) 其他項目	
Depreciation	折舊	255
Total minimum lease payments for leases previously classified as operating leases under HKAS 17	最低租賃費用總和 之前根據香港會計準 則第17號之經營租賃	5,101
Lease payments relating to leases of low-value assets	低價值資產之 租賃費用	-
Lease payments relating to short-term leases	短期租約之 租賃費用	1,192
Net foreign exchange loss	淨滙兌損失	-
Write off of trade and other receivables	貿易及其他應收款項 撇賬	1,579
Auditors' remuneration - audit services - other services	核數師酬金 - 核數服務 - 其他服務	220
	1,180	1,165
	420	500

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

7 INCOME TAX

(a) Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
Current tax		
Provision for Hong Kong Profits Tax for the year	576	3,177
Under/(over)-provision in respect of prior years	31	(34)
	607	3,143
Deferred tax		
Origination and reversal of temporary differences	(27)	(1,292)
	580	1,851

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) The provision for Hong Kong Profits Tax for 2020 is calculated at 16.5% (2019: 16.5%) of the estimated assessable profits for the year, except for a subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For the subsidiary of the Group, the first \$2 million are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax was calculated on the same basis in 2019.

The provision for Hong Kong Profits Tax for 2020 has also taken into account a reduction of 75% of the tax payable for the year of assessment 2019-20 subject to a maximum reduction of \$20,000 granted by the Government of the Hong Kong Special Administrative Region (the "Government") for each business (2019: a reduction of 75% of the tax payable for the year of assessment 2018-19 subject to a maximum reduction of \$20,000).

7 所得稅

(a) 綜合損益及其他全面收益表內的所得稅指：

	2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
Current tax		
本年度香港利得稅撥備	576	3,177
過往年度少提/(多提)撥備	31	(34)
	607	3,143
Deferred tax		
暫時差額的產生及撥回	(27)	(1,292)
	580	1,851

附註：

- (i) 根據開曼群島及英屬處女群島(「英屬處女群島」)的規則及規例，本集團毋須繳納開曼群島及英屬處女群島的任何所得稅。
- (ii) 除集團的附屬公司為合資格企業以兩級制利得稅率制度外，二零二零年香港所得稅以16.5% (二零一九年：16.5%) 按當年預算應課稅計提。

集團的附屬公司首2,000,000港元乃按8.25%繳納稅款，而餘下之應納稅利潤則按16.5%繳納稅款。計提香港利得稅的準則與二零一九年年相同。

二零二零年香港利得稅撥備亦已計及香港特別行政區政府(「政府」)就各業務於二零一九至二零二零年課稅年度的應付稅項減免75% (最多減免20,000元) 後計算(二零一九年：於二零一八至二零一九年課稅年度的應付稅項減免75% (最多減免20,000元))。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

7 INCOME TAX (continued)

(b) Reconciliation between income tax expense and accounting profit before taxation at applicable tax rate:

Profit before taxation	除稅前溢利		
Notional tax on profit before taxation (Note)	除稅前溢利的名義稅項 (附註)		
Tax effect of non-deductible expenses	不可扣減開支的稅務影響		
Statutory tax concession	法定稅務優惠		
Under/(over)-provision in prior years	過往年度少提/(多提)的撥備		
Actual income tax expense	實際所得稅開支		

Note: For the years ended 31 March 2020 and 2019, the notional tax is calculated in accordance with the two-tiered profits tax rate regime under which tax on the first \$2 million of profits of a group company is calculated at 8.25% and tax on the remaining profits is calculated at 16.5%.

7 所得稅

(b) 按適用稅率計算的所得稅開支與除稅前會計溢利的對賬如下：

	2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
Profit before taxation	4,337	12,420
Notional tax on profit before taxation (Note)	550	1,884
Tax effect of non-deductible expenses	39	41
Statutory tax concession	(40)	(40)
Under/(over)-provision in prior years	31	(34)
Actual income tax expense	580	1,851

附註：截至二零二零年及二零一九年三月三十一日止年度之名義稅項乃根據利得稅兩級制計算，集團其中一間公司首2,000,000港元的溢利按8.25%之稅率計算，而餘下的溢利則按16.5%之稅率計算。

(c) Income tax in the consolidated statement of financial position represents:

(i) Current taxation	本期稅項		
Provision for Hong Kong Profits Tax for the year	年內香港利得稅撥備		
Provisional Profits Tax paid	已付暫繳利得稅		
Balance of Hong Kong Profits Tax recoverable relating to prior years	有關過往年度可收回香港利得稅結餘		
Representing:	代表：		
Tax payable	應付稅項		
Tax recoverable	可收回稅項		

(c) 綜合財務狀況表中所得稅指：

	2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
Provision for Hong Kong Profits Tax for the year	576	3,177
Provisional Profits Tax paid	(3,183)	(5,264)
Balance of Hong Kong Profits Tax recoverable relating to prior years	(2,607)	(2,087)
Representing:		
Tax payable	93	–
Tax recoverable	(4,187)	(3,574)
	(4,094)	(3,574)

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

7 INCOME TAX (continued)**(c) Income tax in the consolidated statement of financial position represents: (continued)****(ii) Deferred tax (assets)/liabilities in the consolidated statement of financial position represents:**

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

7 所得稅(續)**(c) 綜合財務狀況表中所得稅指：(續)****(ii) 綜合財務狀況表內的遞延稅項(資產)/負債指：**

於綜合財務狀況表內確認的遞延稅項(資產)/負債組成部分及年內變動如下：

Depreciation allowances in excess of related depreciation
超出相關折舊之折舊免稅額
\$'000
千元

*Deferred tax arising from:**遞延稅項的來源：*

At 1 April 2018
Credited to profit or loss

於二零一八年四月一日
計入損益賬 1,250
(1,292)

**At 31 March 2019 and
1 April 2019**
Credited to profit or loss

於二零一九年三月三十一日
及二零一九年四月一日
計入損益賬 (42)
(27)

At 31 March 2020

於二零二零年三月三十一日 (69)

(d) There were no material unrecognised deferred tax assets and liabilities as at 31 March 2020 and 2019.

(d) 於二零二零年及二零一九年三月三十一日，並無重大未確認遞延稅項資產及負債。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

8 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

8 董事薪酬

根據香港公司條例第383(1)條及公司(有關董事福利資料之披露)規例第2部所披露之董事薪酬如下:

		Year ended 31 March 2020 截至二零二零年三月三十一日止年度				
		Salaries, allowances and benefits in kind	Bonuses	Retirement scheme contributions	Total	
		薪金、津貼及 董事袍金	花紅	退休計劃 供款	總計	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	
Executive directors	執行董事					
Mr. Lau Pak Man	劉伯文先生	-	1,488	180	9	1,677
Mr. Cheng Wing Cheong	鄭榮昌先生	-	1,488	180	18	1,686
Ms. Kwan Kit Sum Kit	關潔心女士	-	1,501	242	18	1,761
Independent non-executive directors	獨立非執行董事					
Mr. Leung Chi Kin	梁梓堅先生	150	-	-	-	150
Mr. Lam Chi Hung Louis	林志雄先生	150	-	-	-	150
Mr. Yau Chi Man Norman (also known as lao Chi Meng)	丘子敏先生	150	-	-	-	150
Total	總計	450	4,477	602	45	5,574

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

**8 DIRECTORS' REMUNERATION
(continued)****8 董事薪酬(續)**Year ended 31 March 2019
截至二零一九年三月三十一日止年度

		Salaries, allowances and benefits in kind 薪金、津貼及 實物利益	Bonuses 花紅	Retirement scheme contributions 退休計劃 供款	Total 總計
	Directors' fees 董事袍金	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Executive directors	執行董事				
Mr. Lau Pak Man	劉伯文先生	-	1,452	-	1,470
Mr. Cheng Wing Cheong	鄭榮昌先生	-	1,440	-	1,458
Ms. Kwan Kit Sum Kit	關潔心女士	-	1,440	-	1,458
Independent non-executive directors	獨立非執行董事				
Mr. Leung Chi Kin	梁梓堅先生	150	-	-	150
Mr. Lam Chi Hung Louis	林志雄先生	150	-	-	150
Mr. Yau Chi Man Norman (also known as lao Chi Meng)	丘子敏先生	150	-	-	150
Total	總計	450	4,332	-	4,836

Notes:

附註:

- (i) No director waived or agreed to waive any emoluments during the years ended 31 March 2020 and 2019.
- (ii) The Company did not have any share option scheme for the purchase of ordinary shares in the Company during the years ended 31 March 2020 and 2019.

- (i) 概無董事於截至二零二零年及二零一九年三月三十一日止年度放棄或同意放棄任何薪酬。
- (ii) 於截至二零二零年及二零一九年三月三十一日止年度，本公司並無任何購買本公司普通股的購股權計劃。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

9 EMOLUMENTS OF FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT

(a) Emoluments of five highest paid individuals

The five highest paid individuals of the Group during the year include three (2019: three) directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the remaining individuals are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,475	1,480
Discretionary bonuses	酌情花紅	176	–
Retirement scheme contributions	退休計劃供款	36	36

The emoluments of the above individuals are within the following bands:

Nil to \$1,000,000	零至1,000,000元	2	2
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9 五位最高薪酬人士及高級管理層之薪酬

(a) 五位最高薪酬人士之薪酬

於年內本集團五位最高薪酬人士包括其薪酬於附註8中披露的三名董事(二零一九年:三名)。有關其餘人士之薪酬總額如下:

	2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
Salaries, allowances and benefits in kind	1,475	1,480
Discretionary bonuses	176	–
Retirement scheme contributions	36	36
	1,687	1,516

上述人士薪酬屬下列範疇:

	2020 二零二零年 Number of individuals 人數	2019 二零一九年 Number of individuals 人數
Nil to \$1,000,000	2	2

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

9 EMOLUMENTS OF FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT (continued)**(b) Emoluments of senior management**

Other than the emoluments of the directors and five highest paid individuals disclosed in notes 8 and 9(a), the emoluments of the remaining senior management fell within the following band:

Nil to \$1,000,000

零至1,000,000元

9 五位最高薪酬人士及高級管理層之薪酬(續)**(b) 高級管理層的酬金**

除附註8及9(a)所披露的董事及五位最高薪酬人士之酬金外，餘下高級管理層的酬金屬下列範疇：

2020 二零二零年 Number of individuals 人數	2019 二零一九年 Number of individuals 人數
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12**10 EARNINGS PER SHARE****(a) Basic earnings per share**

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of \$3,757,000 (2019: \$10,569,000) and the weighted average of 830,000,000 shares in issue (2019: 830,000,000 shares).

(b) Diluted earnings per share

There were no diluted potential shares in existence during the years ended 31 March 2020 and 2019.

10 每股盈利**(a) 每股基本盈利**

每股基本盈利按本公司權益股東應佔溢利3,757,000元(二零一九年：10,569,000元)及已發行股份的加權平均數830,000,000股(二零一九年：830,000,000股)計算。

(b) 每股攤薄盈利

於截至二零二零年及二零一九年三月三十一日止年度，概無潛在攤薄股份。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

11 PROPERTY, PLANT AND EQUIPMENT 11 物業、廠房及設備

		Plant and machinery 廠房及 機器 \$'000 千元	Leasehold improvements 租賃物業 裝修 \$'000 千元	Furniture and fixtures 傢俬及 裝置 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Office equipment 辦公室設備 \$'000 千元	Total 總計 \$'000 千元
Cost:	成本:						
At 1 April 2018	於二零一八年四月一日	28,166	995	693	1,408	1,896	33,158
Additions	添置	-	-	-	-	50	50
Disposals	出售	(27,104)	-	-	(120)	-	(27,224)
At 31 March 2019	於二零一九年三月三十一日	1,062	995	693	1,288	1,946	5,984
At 1 April 2019	於二零一九年四月一日	1,062	995	693	1,288	1,946	5,984
Additions	添置	-	-	-	-	36	36
At 31 March 2020	於二零二零年三月三十一日	1,062	995	693	1,288	1,982	6,020
Accumulated depreciation:	累計折舊:						
At 1 April 2018	於二零一八年四月一日	15,959	854	628	1,058	1,673	20,172
Written back on disposals	於出售時撥回	(19,656)	-	-	(36)	-	(19,692)
Charge for the year	年內開支	4,759	70	28	150	94	5,101
At 31 March 2019	於二零一九年三月三十一日	1,062	924	656	1,172	1,767	5,581
At 1 April 2019	於二零一九年四月一日	1,062	924	656	1,172	1,767	5,581
Charge for the year	年內開支	-	71	22	78	84	255
At 31 March 2020	於二零二零年三月三十一日	1,062	995	678	1,250	1,851	5,836
Net book value:	賬面淨值:						
At 31 March 2020	於二零二零年三月三十一日	-	-	15	38	131	184
At 31 March 2019	於二零一九年三月三十一日	-	71	37	116	179	403

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

12 INVESTMENTS IN SUBSIDIARIES

The following list contains the particulars of subsidiaries of the Group. The class of shares held is ordinary unless otherwise stated.

12 於附屬公司之投資

下表載有本集團附屬公司之詳情。除非另有說明，所持股份類別為普通股。

Name of company 公司名稱	Place of incorporation and business 註冊成立及營業地點	Particulars of issued and paid-up capital 已發行及繳足股本詳情	Proportion of ownership interest 所有權權益比例			Principal activity 主要業務
			Group's effective interest 本集團實益權益	Held by the Company 本公司所持	Held by a subsidiary 附屬公司所持	
In Construction (BVI) Limited	BVI 英屬處女群島	1 share of US\$1 1股1美元之股份	100%	100%	-	Investment holding 投資控股
In Construction Limited 現恆建築有限公司	Hong Kong 香港	9,300,000 shares 9,300,000股股份	100%	-	100%	Construction and engineering 建築工程

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

13 TRADE AND OTHER RECEIVABLES

13 貿易及其他應收款項

		2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
Trade debtors	應收貿易賬款	57,569	50,681
Deposits, prepayments and other receivables (Notes (i) and (ii))	按金、預付款其他應收款項(附註(i)及(ii))	38,101	36,635
Retentions receivable (Note (iii))	應收保留金(附註(iii))	33,502	56,294
Amounts due from shareholders (Note (iv))	應收股東款項(附註(iv))	10	7
		129,182	143,617

Notes:

- (i) As at 31 March 2020, except for the amount of \$37,500 which was expected to be recovered or recognised as expense after one year, all of the remaining balances were expected to be recovered or recognised as expense within one year (2019: all balances were expected to be recovered or recognised as expense within one year).
- (ii) As at 31 March 2020, deposits of \$30,312,000 (2019: \$29,931,000) were pledged to secure the issuance of performance bonds (see note 23).
- (iii) As at 31 March 2020 and 2019, all the retentions receivable were expected to be recovered within one year.
- (iv) The amounts due from shareholders at 31 March 2020 and 2019 were unsecured, interest-free and expected to be recovered within one year.

附註:

- (i) 於二零二零年三月三十一日，除37,500元預期於一年後收回或確認外，所有餘額預期於一年內收回或確認為開支(二零一九年：所有餘額預期於一年內收回或確認為開支)。
- (ii) 於二零二零年三月三十一日，30,312,000元按金(二零一九年：29,931,000元)已押抵來出具履約保證(見附註23)。
- (iii) 於二零二零年及二零一九年三月三十一日，所有應收保留金預期於一年內收回。
- (iv) 於二零二零年三月三十一日及二零一九年三月三十一日之應收股東款項為無抵押、免息及預期於一年內償還。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

**13 TRADE AND OTHER RECEIVABLES
(continued)****(a) Ageing analysis**

Included in trade and other receivables are trade debtors, based on the invoice date (net of loss allowance) with the following ageing analysis at the end of the reporting period:

Within 1 month	一個月內
1 to 2 months	一至兩個月
2 to 3 months	兩至三個月
Over 3 months	三個月以上

Trade debtors are normally due within 14-30 days from the date of billing. Further details on the Group's credit policy are set out in note 21(a).

13 貿易及其他應收款項(續)**(a) 賬齡分析**

貿易及其他應收款項中包括應收貿易賬款，其於報告期末按發票日期及扣除虧損撥備的賬齡分析如下：

2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
12,965	35,595
38,288	—
5,076	—
1,240	15,086
57,569	50,681

應收貿易賬款通常自開票日期起14至30日內到期。有關本集團信貸政策之進一步詳情載於附註21(a)。

14 CASH AND BANK BALANCES**(a) Cash and bank balances comprise:**

Cash at bank and in hand	銀行及手頭現金	10,534	8,836
Deposits with banks	銀行存款	35,591	36,775
Cash and bank balances in the consolidated statement of financial position	綜合財務狀況表中現金及銀行結餘	46,125	45,611
Less: Restricted bank balances (note)	減：受限制銀行結餘(附註)	(35,591)	(36,775)
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流量表中現金及現金等價物	10,534	8,836

Note: Restricted bank balances are deposits placed in banks to secure the issuance of performance bonds (see note 23) and banking facilities.

14 現金及銀行結餘**(a) 現金及銀行結餘包括：**

2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
10,534	8,836
35,591	36,775
46,125	45,611
(35,591)	(36,775)
10,534	8,836

附註：受限制銀行結餘指存於銀行以擔保發出履約保證(見附註23)及銀行融資之存款。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

14 CASH AND BANK BALANCES (continued)

(b) Reconciliation of profit before taxation to cash used in operations:

14 現金及銀行結餘(續)

(b) 除稅前溢利與經營所用現金 之對賬：

			2020 二零二零年	2019 二零一九年
		Note 附註	\$'000 千元	\$'000 千元
Operating activities	經營活動			
Profit before taxation	除稅前溢利		4,337	12,420
Adjustments for:	就下列各項調整：			
Bank interest income	銀行利息收入	5	(570)	(708)
Interest income from lease receivables	應收租賃 款項之利息收入	5	(917)	(43)
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	5	-	1,532
Finance costs	融資成本	6(a)	1,236	90
Depreciation	折舊	6(c)	255	5,101
Changes in working capital:	營運資金變動：			
Decrease/(increase) in trade and other receivables	貿易及其他應收款 項減少/(增加)		14,492	(32,636)
Increase in contract assets	合約資產增加		(60,757)	(27,902)
Decrease in inventories	存貨減少		646	2,335
Increase in trade and other payables	貿易及其他應付 款項增加		17,977	7,073
Increase/(decrease) in contract liabilities	合約負債增 加/(減少)		1,789	(5,116)
Cash used in operations	經營所用現金		(21,512)	(37,854)

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

14 CASH AND BANK BALANCES
(continued)(c) Reconciliation of liabilities arising
from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows are, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

14 現金及銀行結餘(續)

(c) 融資活動所產生負債的對賬

下表詳細說明本集團來自融資活動的負債變動，包括現金及非現金變動。融資活動產生的負債為現金流量或未來現金流量所負的負債流量，並將其分類為融資活動的現金計入本集團綜合現金流量表。

		Bank loan - secured 銀行貸款－ 抵押 (Note 18) (附註18) \$'000 千元	Loan from a shareholder 股東貸款 (Note 19) (附註19) \$'000 千元	Lease liabilities 租賃負債 (Note 17(b)) (附註17(b)) \$'000 千元	Total 總計 \$'000 千元
At 1 April 2018	於二零一八年四月一日	-	-	-	-
Change from financing cash flows:	融資現金流量變動：				
Total change from financing cash flows	融資現金流量變動總額	-	-	-	-
Other changes:	其他變動：				
Interest on lease liabilities (note 6(a))	租賃負債之利息 (附註6(a))	-	-	43	43
Lease liabilities obtained during the year	年內獲得租賃負債	-	-	20,628	20,628
Total other changes	其他變動總額	-	-	20,671	20,671
At 31 March 2019 and 1 April 2019	於二零一九年 三月三十一日及 二零一九年四月一日	-	-	20,671	20,671
Changes from financing cash flows:	融資現金流量變動：				
Capital element of lease rentals paid	支付租賃租金之本金	-	-	(4,403)	(4,403)
Interest element of lease rentals paid	支付租賃租金之利息	-	-	(908)	(908)
Proceeds from loan from a shareholder	股東貸款所得款項	-	13,000	-	13,000
Proceeds from bank loan	銀行貸款所得款項	10,000	-	-	10,000
Interest paid for bank loan	支付銀行貸款利息	(285)	-	-	(285)
Total changes from financing cash flows	融資現金流量變動總額	9,715	13,000	(5,311)	17,404
Other changes:	其他變動：				
Interest expenses (note 6(a))	利息支出(附註6(a))	285	-	908	1,193
Lease liabilities obtained during the year	年內獲得租賃負債	-	-	3,492	3,492
Total other changes	其他變動總額	285	-	4,400	4,685
At 31 March 2020	於二零二零年 三月三十一日	10,000	13,000	19,760	42,760

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

14 CASH AND BANK BALANCES (continued)

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

		2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
Within operating cash flows	於經營現金流量	1,225	1,192
Within financing cash flows	於融資現金流量	5,311	-
		6,536	1,192

These amounts relate to the following:

		2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
Lease rentals paid	已付租賃租金	6,536	1,192

14 現金及銀行結餘(續)

(d) 租賃之總現金流出

租賃於現金流量表內的款項：

		2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
Within operating cash flows	於經營現金流量	1,225	1,192
Within financing cash flows	於融資現金流量	5,311	-
		6,536	1,192

款項包括以下：

		2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
Lease rentals paid	已付租賃租金	6,536	1,192

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

15 CONTRACT ASSETS AND CONTRACT LIABILITIES**(a) Contract assets**

	2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
Contract assets		
Arising from performance under construction contracts		128,742
	189,499	

The Group's construction contracts normally include payment schedules which require stage payments over the construction period once milestones are reached. These payment schedules prevent the build-up of significant contract assets. The Group also typically agrees to a one year retention period for 5% to 10% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection.

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the year end date. The increase in contract assets in 2020 was the result of the increase in the provision of construction services at the end of the year. The contract assets are transferred to trade receivables when the rights become unconditional.

The amount of contract assets that is expected to be recovered after more than one year is \$33,865,000 (2019: \$14,643,000), all of which related to retentions.

15 合約資產及合約負債**(a) 合約資產**

	2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
合約資產		
履行建築合約所產生		128,742
	189,499	

本集團的建築合約通常載有付款時間表，規定於建築期內達成若干里程碑時分階段支付款項。該等付款時間表防止累積龐大合約資產。本集團通常亦同意一年的保存期，保留金為合約價值的5%至10%。由於本集團享有該等最終付款的權利須待本集團的工程令人滿意地通過檢驗後方可作實，故此金額計入合約資產，直至保存期結束為止。

合約資產主要關於本集團享有於年結日已完成但未發出賬單工程的代價的權利。二零二零年的合約資產增加源於截至年結日提供的建築服務增加。合約資產於有關權利成為無條件時轉入應收貿易賬款。

預期於一年後收回的合約資產金額為33,865,000元(二零一九：14,643,000元)，全部與保留金有關。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

15 CONTRACT ASSETS AND CONTRACT LIABILITIES (continued)

(a) Contract assets (continued)

The amount of revenue recognised during the year from performance obligations satisfied (or partially satisfied) in previous periods is \$13,051,000 (2019: \$28,600,000), mainly due to the changes in estimate of the transaction price of certain construction contracts.

(b) Contract liabilities

Contract liabilities

Construction contracts
– Billings in advance of performance

合約負債

建築合約
– 履約前付款

The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognised based on the progress of the provision of related services.

Movements in contract liabilities are explained as follows:

		2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
Balance at 1 April	四月一日之結餘	2,238	7,354
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	計入年初合約負債結餘之已確認收益	(75)	(5,116)
Increase in contract liabilities as a result of billing in advance of construction activities	隨著建築項目履約前付款而增加的合約負債	1,864	–
Balance at 31 March	三月三十一日之結餘	4,027	2,238

15 合約資產及合約負債(續)

(a) 合約資產(續)

年內從於上一期間已達成(或部分達成)履約責任確認的收益金額為13,051,000元(二零一九年: 28,600,000元), 主要源自若干建築合約估計交易價出現變動。

(b) 合約負債

	2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
4,027	4,027	2,238

合約負債主要與已收客戶的代價墊款有關, 有關收益乃根據提供有關服務的進度確認。

合約負債的變動闡述如下:

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

16 TRADE AND OTHER PAYABLES**16 貿易及其他應付款項**

		2020	2019
		二零二零年	二零一九年
		\$'000	\$'000
		千元	千元
Trade creditors	應付貿易賬款	86,039	70,578
Other payables and accruals	其他應付款項及應計費用	8,291	5,775
		94,330	76,353

Included in trade and other payables are trade creditors, based on invoice date, with the following ageing analysis at the end of the reporting period:

計入貿易及其他應付款項的為應付貿易賬款，於報告期末按發票日期之賬齡分析如下：

		2020	2019
		二零二零年	二零一九年
		\$'000	\$'000
		千元	千元
Within 1 month	一個月內	38,166	29,041
1 to 2 months	一至兩個月	13,377	14,705
2 to 3 months	兩至三個月	4,498	14,271
Over 3 months	三個月以上	29,998	12,561
		86,039	70,578

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

17 LEASES

(a) Lease receivables

At 31 March 2020 and 2019, the Group had lease receivables as follows:

17 租賃

(a) 應收租賃款項

於二零二零年及二零一九年三月三十一日，本集團擁有如下應收租賃款項：

		2020 二零二零年		2019 二零一九年	
		Present value of the minimum lease payments 最低租賃 付款現值 \$'000 千元	Total minimum lease payments 最低租賃 付款總額 \$'000 千元	Present value of the minimum lease payments 最低租賃 付款現值 \$'000 千元	Total minimum lease payments 最低租賃 付款總額 \$'000 千元
Within 1 year	一年內	4,606	5,379	3,814	4,601
After 1 year but within 2 years	一年後但兩年內	4,812	5,379	3,941	4,601
After 2 years but within 5 years	兩年後但五年內	10,347	10,832	12,916	13,807
		15,159	16,211	16,857	18,408
		19,765	21,590	20,671	23,009
Less: total unearned finance income	減：未賺取融資收入總額		(1,825)		(2,338)
Present value of lease receivables	應收租賃款項之現值		19,765		20,671

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

17 LEASES (continued)**(b) Lease liabilities**

At 31 March 2020 and 2019, the Group had lease liabilities as follows:

		2020 二零二零年		2019 二零一九年	
		Present value of the minimum lease payments 最低租賃 付款現值 \$'000 千元	Total minimum lease payments 最低租賃 付款總額 \$'000 千元	Present value of the minimum lease payments 最低租賃 付款現值 \$'000 千元	Total minimum lease payments 最低租賃 付款總額 \$'000 千元
Within 1 year	一年內	4,615	5,366	3,814	4,601
After 1 year but within 2 years	一年後但兩年內	4,815	5,366	3,941	4,601
After 2 years but within 5 years	兩年後但五年內	10,330	10,798	12,916	13,807
		15,145	16,164	16,857	18,408
		19,760	21,530	20,671	23,009
Less: total future interest expenses 減：日後利息開支總額			(1,770)		(2,338)
Present value of lease liabilities 租賃負債之現值		19,760		20,671	

As at 31 March 2020, the Group had three hire purchase agreements with a bank (2019: two hire purchase agreements with a bank) each with terms of five years for the hire of 27 sets of machinery (2019: for the hire of 24 sets of machinery). In relation to these sets of machinery, the Group has entered into lease agreements with sub-contractors for a term of five years and at a monthly rental that coincide with the terms of and the amount of monthly hire rent payable under the corresponding hire purchase agreements that cover the particular machinery in the current and prior years.

17 租賃(續)**(b) 租賃負債**

於二零二零年及二零一九年三月三十一日，本集團擁有如下租賃負債：

於二零二零年三月三十一日，本集團與一間銀行有三份為期五年的租購協議(二零一九年：與一間銀行有兩份為期五年的租購協議)，以租用27部機器(二零一九年：以租用24部機器)。就該等機器而言，本集團與獨立分包商訂立為期五年的租賃協議，本年及往年度每月租金與根據特定機器之相應租購協議之條款及每月應付的租金金額一致。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

18 BANK LOAN – SECURED

18 銀行貸款－抵押

		2020	2019
		二零二零年	二零一九年
		\$'000	\$'000
		千元	千元
Within 1 year or on demand	一年內或一經要求	<u>10,000</u>	–
At 31 March 2020, the bank loan was secured by bank deposits with aggregate value of \$13,000,000, interest bearing at 4.3% per-annum and repayable within one year.			於二零二零年三月三十一日，銀行貸款以銀行存款合共金額13,000,000元以年利率4.3%計算並於一年內償還。

19 LOAN FROM A SHAREHOLDER

The loan from a shareholder is unsecured, interest-free and repayable by serving two months' notice.

19 股東貸款

股東貸款是無抵押、免息及償還前提供兩個月通知。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

20 CAPITAL AND RESERVES**(a) Movement in components of equity**

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the Company's individual components of equity between the beginning and the end of the year are set out below:

20 資本及儲備**(a) 權益組成部分之變動**

本集團綜合權益各組成部分於期初及期末結餘對賬載於綜合權益變動表。本公司於年初及年末之個人權益組成部分之詳情載於下文：

		The Company 本公司			
		Share capital 股本 \$'000 千元	Share premium 股份溢價 \$'000 千元	Retained profit 保留溢利 \$'000 千元	Total 總計 \$'000 千元
Balance at 1 April 2018	於二零一八年 四月一日之結餘	8,300	75,453	44,103	127,856
Profit and total comprehensive income for the year	年內溢利及全面收益 總額	-	-	1,054	1,054
Balance at 31 March 2019	於二零一九年 三月三十一日之結餘	8,300	75,453	45,157	128,910
Balance at 1 April 2019	於二零一九年 四月一日之結餘	8,300	75,453	45,157	128,910
Profit and total comprehensive income for the year	年內溢利及全面收益 總額	-	-	1,316	1,316
Balance at 31 March 2020	於二零二零年 三月三十一日之結餘	8,300	75,453	46,473	130,226

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

20 CAPITAL AND RESERVES (continued)

(b) Dividend

The board of directors has resolved not to declare any final dividend for the year ended 31 March 2020 (2019: Nil).

(c) Share capital

20 資本及儲備(續)

(b) 股息

董事會決議就二零二零年三月三十一日不宣派任何股息(二零一九年：無)

(c) 股本

		The Company 本公司			
		2020 二零二零年		2019 二零一九年	
		No. of shares 股份數目	Amount 金額 \$'000 千元	No. of shares 股份數目	Amount 金額 \$'000 千元
Authorised – ordinary shares of \$0.01 each:	法定—每股0.01元之普通股：				
At 1 April and 31 March	於四月一日及三月三十一日	2,000,000,000	20,000	2,000,000,000	20,000
Ordinary shares, issued and fully paid:	普通股，已發行及繳足：				
At 1 April and 31 March	於四月一日及三月三十一日	830,000,000	8,300	830,000,000	8,300

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派之股息，並有權在本公司股東大會上以每股股份投一票。所有普通股就本公司之剩餘資產而言均享有相同地位。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

20 CAPITAL AND RESERVES (continued)**(d) Nature and purpose of reserves****(i) Share premium**

The share premium account is governed by the Companies Law of the Cayman Islands and may be applied by the Company subject to the provisions, if any, of its memorandum and articles of association in paying distributions or dividends to equity shareholders.

No distribution or dividend may be paid to the equity shareholders out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business.

(ii) Capital reserve

The capital reserve was created as a result of the reorganisation to rationalise the Group structure in preparation for the listing of the Company's shares on the Stock Exchange.

(e) Distributability of reserves

At 31 March 2020, the aggregate amount of the Company's reserves available for distribution to equity shareholders of the Company, as calculated in accordance with the Companies Law of the Cayman Islands and the Company's memorandum and articles of association, was \$121,926,000 (2019: \$120,610,000). The directors did not propose any final dividend after the end of the reporting period (2019: Nil).

20 資本及儲備(續)**(d) 儲備的性質及目的****(i) 股份溢價**

股份溢價賬由開曼群島公司法規管，本公司於向權益股東支付分派或股息時可根據其組織章程大綱及細則的條文(如有)動用股份溢價賬。

除非緊隨建議支付分派或股息當日後本公司將可支付於日常業務中到期的債務，否則不可動用股份溢價賬以向權益股東支付分派或股息。

(ii) 資本儲備

由於重組為準備本公司股份於聯交所上市而精簡本集團架構，故設立資本儲備。

(e) 儲備可分派程度

於二零二零年三月三十一日，本公司可供分派予本公司權益股東的儲備總額(根據開曼群島公司法以及本公司組織章程大綱及細則計算)為121,926,000元(二零一九年：120,610,000元)。於報告期末後，董事並無建議派付任何末期股息(二零一九年：無)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

20 CAPITAL AND RESERVES (continued)

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to fund its construction business, provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Government requires contractors on the list of approved contractors for public works (the "List") to maintain such minimum working capital as the Government may from time to time determine (the "Required Minimum Working Capital"). A subsidiary of the Company is subject to the Required Minimum Working Capital as the subsidiary is a contractor on the List. Except for this, neither the Company nor of its subsidiaries are subject to externally imposed capital requirements.

20 資本及儲備(續)

(f) 資本管理

本集團管理資本的主要目標是保障本集團按持續經營基準繼續營運的能力，以為其建築業務融資，為股東帶來回報，同時兼顧其他權益持有人的利益，並維持最佳的資本架構以減低資金成本。

本集團積極及定期檢討和管理其資本架構，以維持較高股東回報(有關借款金額亦可能較高)與穩健資金狀況的優勢及保障之間的平衡，以及根據經濟狀況的變動對資本架構作出調整。

政府要求名列認可公共工程承建商名冊(「名冊」)的承建商維持由政府不時釐定的有關最低營運資本(「指定最低營運資本」)。本公司一間附屬公司受指定最低營運資本的規限，原因為該附屬公司為名冊上的承建商。除此以外，本公司及其附屬公司均不受外部施加資本規定的規限。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

**21 FINANCIAL RISK MANAGEMENT
AND FAIR VALUES OF FINANCIAL
INSTRUMENTS**

Exposure to credit, liquidity and interest rate risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to bank deposits, trade receivables, retentions receivable, lease receivables and contract assets. The Group has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Cash is deposited with financial institutions with sound credit ratings and the Group has exposure limit to any single financial institution. Given their high credit ratings, management does not expect any of these financial institutions and counterparties will fail to meet their obligations.

Trade receivables, retentions receivable, lease receivables and contract assets

In respect of trade receivables, retentions receivable, lease receivables and contract assets, individual credit evaluations are performed as part of the acceptance procedures for new construction contracts. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 14-30 days from the date of billing. Normally, the Group does not obtain collateral from customers.

**21 財務風險管理及金融工具的
公平值**

本集團日常業務過程中承受信貸、流動資金及利率風險。本集團承受該等風險及本集團用以管理該等風險的財務風險管理政策及常規載於下文。

(a) 信貸風險

本集團的信貸風險主要來自銀行存款、應收貿易賬款、應收保留金、應收租賃款項及合約資產。管理層已實施信貸政策，並持續監控該等信貸風險。

現金存款乃存放於良好信貸評級的金融機構，而本集團亦對每一金融機構設置額度。鑒於該等金融機構擁有高信貸評級，管理層並不預期該等金融機構及對手方不能履行責任。

應收貿易賬款、應收保留金、應收租賃款項及合約資產

就應收貿易賬款、應收保留金、應收租賃款項及合約資產而言，本集團會進行個別信貸評核作為新建築合約接納程序一部分。此等評核集中於客戶過往支付到期款項的記錄及現時的付款能力，並考慮客戶的特定資料及客戶經營所在經濟環境的情況。應收貿易款項於賬單日期起計十四至三十日內到期。本集團一般不會向客戶收取抵押品。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

Trade receivables, retentions receivable, lease receivables and contract assets (continued)

At the end of the reporting period, the Group has significant concentration of credit risk in a few customers. In view of their credit standing, good payment record and long established relationships with the Group, management does not consider the Group's credit risk to be significant. At 31 March 2020, 38% (2019: 19%) and 65% (2019: 52%) of the total trade receivables, retentions receivable, lease receivables and contract assets was due from the Group's largest customer and the Group's five largest customers respectively.

The Group measures loss allowances for trade receivables, retentions receivable, lease receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. Given the customers of the Group are mainly reputable companies and the Group has not experienced any significant credit losses in the past, management considered that the allowance for ECLs is insignificant.

21 財務風險管理及金融工具的公平值(續)

(a) 信貸風險(續)

應收貿易賬款、應收保留金、應收租賃款項及合約資產(續)

於報告期末，本集團就少數客戶有重大信貸集中風險。鑒於彼等的信貸評級、良好還款記錄及與本集團已建立長期關係，管理層認為本集團承受的信貸風險並不重大。於二零二零年三月三十一日，應收貿易賬款、應收保留金、應收租賃款項及合約資產總額中分別38% (二零一九年：19%) 及65% (二零一九年：52%) 乃應收本集團最大客戶款項及應收本集團五大客戶款項。

本集團按相當於全期預期信貸虧損的金額(用撥備矩陣計算)來計量應收貿易賬款、應收保留金、應收租賃款項及合約資產的虧損撥備。鑒於本集團的客戶主要為信譽良好的公司，而本集團過往並無出現任何重大信貸虧損，管理層認為預期信貸虧損的撥備並不重大。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

**21 FINANCIAL RISK MANAGEMENT
AND FAIR VALUES OF FINANCIAL
INSTRUMENTS (continued)****(b) Liquidity risk**

Individual subsidiaries within the Group are responsible for their own cash management, including the raising of loans to cover the expected cash demands. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed funding lines from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the 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 at the end of the reporting period) and the earliest date the Group can be required to pay:

**21 財務風險管理及金融工具的
公平值(續)****(b) 流動資金風險**

本集團旗下的各家附屬公司對其自身的現金管理負責，包括籌集貸款應對預期現金需求。本集團之政策是定期監控現時及預期流動資金需要，以及其遵守貸款契諾之情況，以確保維持足夠現金儲備及來自主要金融機構的充足承諾融資額度，從而滿足短期及長期之流動資金需要。

下表詳述本集團金融負債於報告期末的餘下合約到期日，乃基於合約未折現現金流(包括使用合約利率計算的利息付款，倘為浮息，則基於報告期末的即期利率)及本集團可被要求償還的最早日期：

		At 31 March 2020 於二零二零年三月三十一日				
		Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years
		賬面值	總合約未折現現金流	一年內或按要求	超過一年但少於兩年	兩年以上但少於五年
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Trade and other payables	貿易及其他應付款項	92,408	92,408	92,408	-	-
Lease liabilities	租賃負債	19,760	21,530	5,366	5,366	10,798
Bank loan - secured	銀行貸款－抵押	10,000	10,297	10,297	-	-
Loan from a shareholder	股東貸款	13,000	13,000	13,000	-	-
		135,168	137,235	121,071	5,366	10,798

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

21 財務風險管理及金融工具的公平值(續)

(b) 流動資金風險(續)

At 31 March 2019
於二零一九年三月三十一日

	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years
	賬面值	未折現現金流	一年內或按	超過一年但少於兩年	兩年以上但少於五年
	\$'000	\$'000	\$'000	\$'000	\$'000
	千元	千元	千元	千元	千元
Trade and other payables	70,578	70,578	70,578	-	-
Lease liabilities	20,671	23,009	4,601	4,601	13,807
	91,249	93,587	75,179	4,601	13,807

(c) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing bank borrowing and lease liabilities. The risk is mainly concentrated on the fluctuation in interest rates arising from the lease liabilities. The Group's interest rate profile as monitored by management is set out in below.

(c) 利率風險

本集團就附息銀行貸款及租賃負債的利率變動而承擔利率風險。風險主要來自租賃負債利率變動。集團需監控的利率範圍呈列如下。

	2020 二零二零年	2019 二零一九年
	Effective interest rate	Effective interest rate
	實際利率	實際利率
	%	%
	\$'000	\$'000
	千元	千元
Fixed rate borrowing:		
Bank loan – secured	4.30	-
Variable rate borrowing:		
Lease liabilities	4.25	4.375
Total borrowings	29,760	20,671
Fixed rate borrowing as a percentage of total borrowings	34%	0%

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)**(c) Interest rate risk (Continued)****Sensitivity analysis**

At 31 March 2020, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained profits by approximately \$165,000 (2019: \$173,000).

The sensitivity analysis above indicates the annualised impact on the Group's interest expense that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to floating rate instruments which expose the Group to cash flow interest rate risk at that date. The analysis is performed on the same basis as 2019.

(d) Foreign currency risk

The Group's functional currency is Hong Kong dollars. At 31 March 2020, the Group's currency risk is primarily attributable to deposits with banks of \$22,789,000 (2019: \$23,912,000) denominated in the Renminbi ("RMB"). Assuming that the RMB had strengthened/weakened by 5% at 31 March 2020 and the changes had been applied to the Group's exposure to currency risk for those deposits at that date, with other variables held constant, the Group's profit after tax and total equity would have increased/decreased by approximately \$951,000 (2019: \$998,000).

The exposure to currency risk as referred to above represents management's assessment of a reasonably possible change in exchange rate over the period until next annual reporting date. The analysis is performed on the same basis as 2019.

(e) Fair values measurement

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost are not materially different from their fair values as at 31 March 2020 and 2019.

21 財務風險管理及金融工具的公平值(續)**(c) 利率風險(續)****敏感性分析**

於二零二零年三月三十一日，估計利率整體增加／減少100個基點，而所有其他變數維持不變，則本集團之除稅後溢利及保留溢利將減少／增加約165,000元(二零一九年：173,000元)。

上述敏感性分析顯示本集團之利息開支將會產生之年化影響，當中假設利率變動已於報告期末產生並適用於本集團於當日就浮息工具所承擔之現金流利率風險。敏感性分析按二零一九年之同等基準進行。

(d) 外匯風險

本集團的功能貨幣為港元。於二零二零年三月三十一日，本集團的貨幣風險主要歸因於以人民幣(「人民幣」)列值的銀行存款22,789,000元(二零一九年：23,912,000元)。假設於二零二零年三月三十一日人民幣升值／貶值5%且該等變動已於該日應用於本集團該等存款所面臨的貨幣風險，而其他變量保持不變，則本集團的除稅後溢利及權益總額將增加／減少約951,000元(二零一九年：998,000元)。

上文所述貨幣風險指管理層所評估直至下一個年度報告日期間內可能出現之合理匯率變動。此分析基準與二零一九年相同。

(e) 公平值計量

於二零二零年及二零一九年三月三十一日，本集團按賬面值攤銷成本計值的金融資產及負債的賬面值與彼等的公平值無重大不同。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars) (以港元列示)

22 COMMITMENTS

At 31 March 2019, the Group's total future minimum lease payments under non-cancellable operating leases were payable as follows:

Within 1 year	一年內	487
After 1 year but within 5 years	一年後至五年內	72
		559

The Group is the lessee in respect of an office and items of office equipment held under leases. The leases typically run for an initial period of 1 to 5 years. None of the leases includes variable lease payments. The Group applied recognition exemptions to short-term leases and leases of low-value assets as allowed under HKFRS 16.

23 CONTINGENT LIABILITIES

At 31 March 2020, the Group had contingent liabilities in respect of performance bonds to guarantee for the due and proper performance of the objections undertaken by the Group's subsidiary for projects amounting to \$87,587,000 (2019: \$86,692,000) in its ordinary course of business. The performance bonds are expected to be released in accordance with the terms of the respective construction contracts.

22 承擔

於二零一九年三月三十一日，本集團應付不可取消經營租賃項下未來最低租賃付款總額如下：

2019
二零一九年
\$'000
千元

本集團為經營租賃項下持有一處辦公室及辦公室設備項目的承租人。初始租期通常為一至五年。這些租賃款項沒有變動租賃款項。本集團根據香港財務報告準則第16號允許採納對短期租約及低價值資產的確認豁免。

23 或然負債

於二零二零年三月三十一日，本集團有關本集團附屬公司於其一般業務過程中審慎妥善履行承接項目之責任而作出擔保的履約保證之或然負債為87,587,000元(二零一九年：86,692,000元)。履約保證預期將根據各建築合約的條款解除。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

24 MATERIAL RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group enters into the following material related party transaction during the year:

Rental expenses paid to a related company

已付予一間關聯公司之租金開支

Note: The directors of the Company are of opinion that the above transaction is entered into in the normal course of business.

- (b) Remuneration of key management personnel, including amounts paid to the directors as disclosed in note 8 and certain of the highest paid employees and senior management as disclosed in note 9, is as follows:

Short-term employee benefits
Post-employment benefits

短期僱員福利
離職福利

24 重大關聯方交易

- (a) 除財務報表其他部分所披露的交易及結餘外，本集團於本年度訂立以下重大關聯方交易：

2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
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1,192	1,192
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附註：本公司董事認為上述交易乃於日常業務過程中訂立。

- (b) 主要管理人員的薪酬(包括已付董事的金額)於附註8披露，而若干最高薪酬僱員及高級管理層的薪酬則於附註9披露如下：

2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
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6,129	5,396
74	71

6,203	5,467
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Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

24 MATERIAL RELATED PARTY TRANSACTIONS (continued)

- (b) Total remuneration is included in "staff costs" (see note 6(b)).

The related party transactions in respect of rental expenses paid to a related company and the remuneration of directors and chief executive of the Company constitute connected transactions as defined in Chapter 14A of the Listing Rules. However, these transactions are exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The related party transactions in respect of the remuneration of key management personnel (other than directors and chief executive) of the Company do not fall under the definition of connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

- (c) The related party transactions in respect of the amounts due from shareholders and loan from a shareholder as set out on notes 13 and 19 respectively constitute connected transactions as defined in Chapter 14A of the Listing Rules. However, these transactions are exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

24 重大關聯方交易(續)

- (b) 薪酬總額計入「員工成本」(見附註6(b))。

與已付予一間關聯公司的租金開支及本公司董事及主要行政人員薪酬有關的關聯方交易構成上市規則第14A章界定的關連交易。然而，該等交易獲豁免遵守上市規則第14A章項下申報、公告及獨立股東批准規定。

與本公司主要管理人員(董事及主要行政人員除外)薪酬有關的關聯方交易並不屬於上市規則第14A章界定的關連交易或持續關連交易。

- (c) 與分別於附註13及19所載應收股東款項及股東貸款有關的關聯方交易構成上市規則第14A章界定的關連交易。然而，該等交易獲豁免遵守上市規則第14A章項下申報、公告及獨立股東批准規定。

Notes to the Financial Statements (continued)**財務報表附註(續)**

(Expressed in Hong Kong Dollars) (以港元列示)

25 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION**25 公司層面之財務狀況表**

			2020 二零二零年 \$'000 千元	2019 二零一九年 \$'000 千元
		Note 附註		
Non-current assets	非流動資產			
Investment in a subsidiary	於附屬公司之投資	12	-*	-*
Amounts due from subsidiaries	應收附屬公司款項		130,180	128,915
			130,180	128,915
Current assets	流動資產			
Prepayments and other receivables	預付款項及其他應收款項		10	10
Cash and bank balances	現金及銀行結餘		574	452
			584	462
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計費用		445	425
Tax payable	應付稅項		93	42
			538	467
Net current assets/(liabilities)	流動資產/(負債)淨值		46	(5)
NET ASSETS	資產淨值		130,226	128,910
CAPITAL AND RESERVES	資本及儲備	20(a)		
Share capital	股本	20(c)	8,300	8,300
Reserves	儲備		121,926	120,610
TOTAL EQUITY	權益總額		130,226	128,910

* Represents \$8

* 指8元

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in Hong Kong Dollars)(以港元列示)

26 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2020

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard, HKFRS 17, *Insurance contracts*, which are not yet effective for the year ended 31 March 2020 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

26 於截至二零二零年三月三十一日止年度已頒佈但尚未生效的修訂、新訂準則及詮釋的可能影響

直至本財務報表刊發日期，香港會計師公會已頒佈一系列及一項新準則，香港財務報告準則第17號，*保險合約*，於截至二零二零年三月三十一日止年度尚未生效且並無於此等財務報表中採納。該等修訂及新訂準則包括如下可能與本集團相關者。

**Effective for
accounting periods
beginning on
or after
於以下日期或之後
開始的會計期間生效**

Amendments to HKFRS 3, *Definition of a business*
香港財務報告準則第3號的修訂，*業務的定義*

1 January 2020
二零二零年一月一日

Amendments to HKAS 1 and HKAS 8, *Definition of material*
香港會計準則第1號及香港會計準則第8號的修訂，*重大的定義*

1 January 2020
二零二零年一月一日

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

集團正在評估這些發展於初次採納期間時的預期影響，截至現時總括採納新發展不大可能對綜合財務報表構成重大影響。

Financial Summary

財務摘要

(Expressed in Hong Kong Dollars) (以港元列示)

A summary of the results and assets and liabilities of the Group for the last five financial years is as follows: 本集團最近五個財政年度的業績及資產及負債概要如下：

		Year ended 31 March 截至三月三十一日止年度				
		2016 二零一六年	2017 二零一七年	2018 二零一八年	2019 二零一九年	2020 二零二零年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
RESULTS	業績					
Revenue	收益	497,303	370,235	287,846	305,128	393,892
Profit before taxation	除稅前溢利	111,497	127,797	27,566	12,420	4,337
Income tax	所得稅	(19,422)	(21,100)	(4,548)	(1,851)	(580)
Profit and total comprehensive income for the year	年內溢利及全面收益總額	92,075	106,697	23,018	10,569	3,757

		At 31 March 於三月三十一日				
		2016 二零一六年	2017 二零一七年	2018 二零一八年	2019 二零一九年	2020 二零二零年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	440,562	410,794	319,746	344,174	389,879
Total liabilities	總負債	(109,295)	(84,050)	(77,884)	(99,262)	(141,210)
Net assets	資產淨值	331,267	326,744	241,862	244,912	248,669

This report is published in both English and Chinese languages. Should there be any inconsistency between the Chinese and English versions, the English version shall prevail.

本報告以中英文兩種語言印製。在兩種文體的說明上存在歧義時，以英文為準。

