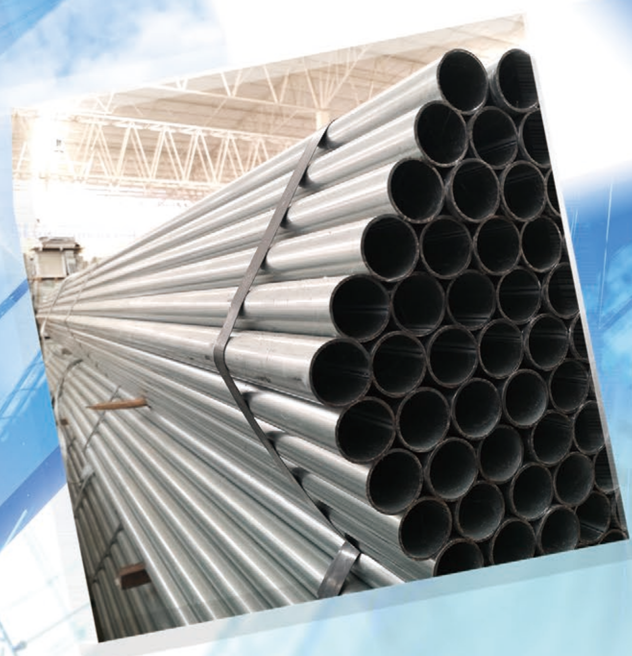
Golden Ponder Holdings Limited

金侖控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code：1783



Annual Report
2021

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Kam Tong *(Chairman)*
Mr. Chan Kam Ming *(Chief Executive Officer)*

Independent Non-executive Directors

Mr. Hau Wing Shing Vincent
Mr. Szeto Cheong Mark
Mr. Wan Simon

AUDIT COMMITTEE

Mr. Szeto Cheong Mark *(Chairman)*
Mr. Hau Wing Shing Vincent
Mr. Wan Simon

REMUNERATION COMMITTEE

Mr. Wan Simon *(Chairman)*
Mr. Chan Kam Ming
Mr. Szeto Cheong Mark

NOMINATION COMMITTEE

Mr. Chan Kam Tong *(Chairman)*
Mr. Hau Wing Shing Vincent
Mr. Wan Simon

COMPANY SECRETARY

Mr. Wong Chi Chui

AUTHORISED REPRESENTATIVES

Mr. Chan Kam Tong
Mr. Chan Kam Ming

HEADQUARTERS, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Offices F & G, Floor 23, Maxgrand Plaza
No.3 Tai Yau Street
San Po Kong
Kowloon
Hong Kong

REGISTERED OFFICE

71 Fort Street
P.O. Box 500
George Town,
Grand Cayman KY1-1106
Cayman Islands

PRINCIPAL BANKERS

The Bank of East Asia, Limited
G/F, Kalok Building
720-722 Nathan Road
Mongkok
Kowloon
Hong Kong

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

Bank of Communications Co., Ltd. Hong Kong Branch
20 Pedder Street
Central
Hong Kong

CORPORATE INFORMATION

Industrial and Commercial Bank of China (Asia) Limited
34/F, ICBC Tower
3 Garden Road
Central
Hong Kong

LEGAL ADVISER

As to Hong Kong Law
Guantao & Chow Solicitors and Notaries
Suites 1801-03
18/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

AUDITOR

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Appleby Global Services (Cayman) Limited
71 Fort Street
P.O. Box 500
George Town
Grand Cayman, KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY'S WEBSITE

www.headfame.com.hk
(the content of which do not form part of this report)

STOCK CODE

1783

FINANCIAL HIGHLIGHTS

	2021 HK$'000	2020 HK$'000
Revenue	**210,660**	283,148
Loss before income tax credit/(expense)	**(14,064)**	(935)
Loss attributable to owners of the Company	**(12,314)**	(2,051)
Loss per share		
– basic and diluted (HK cent)	**(1.54 cents)**	(0.26 cents)

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Director(s)**") of Golden Ponder Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), I hereby present to you the annual report of the Company for the year ended 31 March 2021.

OVERVIEW

The Group principally provides superstructure building and repair, maintenance, alteration and addition ("**RMAA**") works service as a main contractor in Hong Kong.

Superstructure building works refer to the building works in relation to the parts of the structure above the ground level and the scope of the Group's superstructure building works contracts mostly consists of development projects for residential and commercial buildings. RMAA works refer to the repair, maintenance, alteration and addition works for an existing structure.

The Group reported a net loss of approximately HK$12.3 million for the year ended 31 March 2021, increased by approximately HK$10.2 million, compared to that of approximately HK$2.1 million for the year ended 31 March 2020. The increase in net loss was primarily attributable to the following combined effect of:

(i) decrease in revenue recognised by the Group for the year ended 31 March 2021 substantially due to (a) certain on-going projects were at their ending phase while the relevant revenues had already been recognised in prior years which resulted in reduction in revenue contributions; (b) there were three projects for superstructure building works had been newly awarded which were still at preliminary stage; (c) there were three newly awarded projects for the RMAA works with the total contract amounts of only approximately HK$0.2 million contributed during the year ended 31 March 2021; and (d) an amount HK$2.0 million was incurred for a project due to unforeseeable additional works which resulted in reduction in revenue contribution; and

(ii) decrease in gross profit margin due to certain service costs have been incurred in the variation order works of certain works done from construction projects, which are still pending the formal contracts or agreements to be endorsed by customers, resulting in gross loss for the year ended 31 March 2021.

GOING FORWARD

The global outbreak of the novel coronavirus ("**COVID-19**") pandemic in January 2020 has severely buffeted the Hong Kong's business and investment environment and the construction industry of Hong Kong has no exceptions. Coupled with the impacts of the Sino-U.S. trade tensions, the prospects of the investment in the construction industry have been dimming with uncertain economic conditions. Therefore, the Board has considered and estimated that the Group's profit and profit margin will be significantly affected due to the significant reduction in the number of projects available for tender under fierce competitions.

CHAIRMAN'S STATEMENT

During the year ended 31 March 2021 and up to the date of this annual report, the Group was successfully awarded several sizeable building construction contracts and it is expected to contribute revenue in second half of 2021. Facing the uncertain economic outlook, the Group is still cautiously optimistic in maintaining the Group's construction business and competitiveness in the future.

Looking ahead, the Group will continue to monitor the situations of the pandemic and assess the overall impacts of the pandemic towards the Group's businesses in both superstructure building works and RMAA works. In addition, the Group will endevaour on applying its core competencies to raise customer satisfactions, in order to ensure sustainable growth and profitability of the Group. The Board is confident and cautiously optimistic that, with the foreseeable robust post-pandemic economic recovery, the economic conditions of Hong Kong and the construction industry in Hong Kong will resume back on track step by step. We continue to be exploring the potential business developments of other construction sectors and investment opportunities to diversify the Group's risk profile and expand the profit base for the shareholders of the Company (the "**Shareholder(s)**").

APPRECIATION

On behalf of the Board, I would like to express our gratitude to all the stakeholders, including but not limited to customers, suppliers, banks, business partners and shareholders of the Group for their continuous support, as well as the management team and the employees of the Group for their invaluable services and contributions.

Chan Kam Tong
Chairman

Hong Kong, 23 June 2021

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal activities of the Group are the provision of superstructure building and RMAA works service as a main contractor in Hong Kong.

Superstructure building works refer to the building works in relation to the parts of the structure above the ground level and the scope of the Group's superstructure building works contracts mostly consists of development projects for residential and commercial buildings. RMAA works refer to the repair, maintenance, alteration and addition works for an existing structure.

The Group's revenue for the year ended 31 March 2021 amounted to approximately HK$210.7 million, representing a decrease of approximately HK$72.4 million, or 25.6% compared to approximately HK$283.1 million for the year ended 31 March 2020. The decrease in total revenue was mainly attributable to decrease from superstructure building work of approximately HK$50.2 million and RMAA works of approximately HK$22.2 million, respectively.

Superstructure building works

During the year ended 31 March 2021, there were 6 (2020: 5) superstructure building works projects contributing revenue of approximately HK$210.2 million (2020: approximately HK$260.4 million) to this business segment.

RMAA works

During the year ended 31 March 2021, there were 3 (2020: 13) RMAA works projects contributing revenue of approximately HK$0.5 million (2020: approximately HK$22.7 million) to this business segment. The decrease in the number of RMAA works projects awarded was mainly due to (a) intensified competition in the industry faced by the Group; and (b) the decrease in the number of projects which are available for tendered during the year ended 31 March 2021.

OUTLOOK

The global outbreak of the COVID-19 pandemic in January 2020 has severely buffeted the Hong Kong's business and investment environment and the construction industry of Hong Kong has no exceptions. Coupled with the impacts of the Sino-U.S. trade tensions, the prospects of the investment in the construction industry has been dimming with uncertain economic conditions. Therefore, the Board has considered and estimated that the Group's profit and profit margin will be significantly affected due to the significant reduction in the number of projects available for tender under fierce competitions.

During the year ended 31 March 2021 and up to the date of this annual report, the Group was successfully awarded several sizeable building construction contracts and it is expected to contribute revenue in second half of 2021. Facing the uncertain economic outlook, the Group is still cautiously optimistic in maintaining the Group's construction business and competitiveness in the future.

Looking ahead, the Group will continue to monitor the situations of the pandemic and assess the overall impacts of the pandemic towards the Group's businesses in both superstructure building works and RMAA works. In addition, the Group will endeavour on applying its core competencies to raise customer satisfactions, in order to ensure sustainable growth and profitability of the Group. The Board is confident and cautiously optimistic that, with the foreseeable robust post-pandemic economic recovery, the economic conditions of Hong Kong and the construction industry in Hong Kong will resume back on track step by step.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 March 2021 amounted to approximately HK$210.7 million, representing a decrease of approximately HK$72.4 million, or 25.6% compared to approximately HK$283.1 million for the year ended 31 March 2020. The decrease in total revenue was mainly attributable to the decrease in revenue from superstructure building works of approximately HK$50.2 million and the decrease in revenue from RMAA works of approximately HK$22.2 million. The decrease in revenue recognised by the Group for the year ended 31 March 2021 was substantially due to (a) certain on-going projects were at their ending phase while the relevant revenues had already been recognised in prior years which resulted in reduction in revenue contributions; (b) there were three projects for superstructure building works had been newly awarded which a lower amount of work done were performed at preliminary stage and yet to contribute sizeable revenue; (c) there were only three newly awarded projects for the RMAA works with the total contract amounts of only approximately HK$0.2 million contributed for the year ended 31 March 2021; and (d) an amount of HK$2.0 million was incurred for a project due to unforeseeable additional works which resulted in reduction in revenue contribution.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the year ended 31 March 2021 amounted to approximately HK$3.1 million, representing a decrease of approximately HK$17.0 million, or approximately 84.6% compared to approximately HK$20.1 million for the year ended 31 March 2020. The overall gross profit margin for the year ended 31 March 2021 decreased to approximately 1.5% as compared to approximately 7.1% for the year ended 31 March 2020. Such decrease in gross profit was attributable to the decrease in the revenue of the Group and the Group's gross profit margin as discussed above. The decline in gross profit margin was mainly due to certain service costs have been incurred in the variation order works of certain works done from construction projects, which are still pending the formal contracts or agreements to be endorsed by customers, resulting in gross loss for the year ended 31 March 2021.

Other Income, Gains and Losses

The other income, gains and losses of the Group for the year ended 31 March 2021 amounted to approximately HK$3.4 million, representing an increase of approximately HK$1.6 million or 93.9% compared to approximately HK$1.8 million for the year ended 31 March 2020, which was mainly due to (i) a series of government subsidies in relation to COVID-19-related subsidies which was mainly for the purpose of subsidising the payrolls of certain businesses amid of pandemic; (ii) the one-off 25% rent concession of the office premise; while the abovementioned positives were offset by (iii) increase in bad debt. For the details of other income, gains and losses, please refer to note 8 to the consolidated financial statements in this annual report.

Administrative and Other Expenses

The administrative and other expenses of the Group for the year ended 31 March 2021 amounted to approximately HK$20.6 million, representing an increase of approximately HK$1.0 million or 5.1% compared to approximately HK$19.6 million for the year ended 31 March 2020. The increase was mainly due to the net off effect of: (i) increase in salary and directors' remuneration of approximately HK$1.6 million; and offset by (ii) decrease in miscellaneous expenses of approximately HK$0.6 million.

Loss Attributable to Owners of the Company

The Group reported loss attributable to owners of the Company for the year ended 31 March 2021 increased by approximately HK$10.2 million to approximately HK$12.3 million, as compared to that of approximately HK$2.1 million for the year ended 31 March 2020. The main reasons for the increase in net loss were disclosed in the section "FINANCIAL REVIEW" above.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2021, the Group had a total cash and cash equivalents of approximately HK$89.0 million (31 March 2020: approximately HK$109.0 million).

Current ratio (Total current assets: total current liabilities) increased from approximately 2.8 as at 31 March 2020 to approximately 3.2 as at 31 March 2021, mainly due to decrease in trade and retention money payables. Gearing ratio was nil as at 31 March 2021 and 2020.

The capital structure of the Group consisted of equity of approximately HK$168.0 million (31 March 2020: approximately HK$188.3 million) and debts (lease liabilities) of approximately HK$0.5 million as at 31 March 2021 (31 March 2020: approximately HK$1.8 million).

Treasury Policy

The Group adopts a prudent approach in cash management. Apart from certain debts including lease liabilities, the Group did not have any material outstanding debts as at 31 March 2021.

Foreign Exchange Exposure

As the Group only operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar, the Board is of the view that the Group's foreign exchange rate risks are insignificant during the year ended 31 March 2021.

Capital Expenditures

Total capital expenditure for the year ended 31 March 2021 was approximately HK$0.2 million (2020: approximately HK$0.2 million) on acquisition of property, plant and equipment. Capital expenditure was funded by internal resources.

MANAGEMENT DISCUSSION AND ANALYSIS

Contingent Liabilities and Claims

Save as disclosed in note 32 to the consolidated financial statements in this annual report, the Group had no other contingent liabilities and claims as at 31 March 2021.

Capital Commitments

As at 31 March 2021, there were no significant capital commitments for the Group.

Significant Investments Held, Acquisition and Disposal

Except for investment in its subsidiaries, the Group did not hold any significant investments during the year ended 31 March 2021.

There were no acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the year ended 31 March 2021.

Charges on Assets

As at 31 March 2021, the Group had bank facilities which were guaranteed by the Company. The Group had certain surety bonds being secured by certain deposits payment from a subsidiary of the Group, all of which were guaranteed by the Company.

Segment Information

Segmental information is presented for the Group as disclosed in note 6 to the consolidated financial statements in this annual report.

USE OF NET PROCEEDS

Net proceeds from the Listing

The Company successfully listed the ordinary shares of the Company (the "**Shares**") on the Main Board (the "**Listing**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 22 August 2018 (the "**Listing Date**") and a total of 200,000,000 shares by way of public offer and placing at a price of HK$0.55 each were offered for subscription. The net proceeds from the Listing (the "**Net Proceeds**"), after deducting the underwriting fees, the Stock Exchange trading fee and Securities and Futures Commission transaction levy and listing expenses in connection with the Listing, amounted to approximately HK$78.5 million. The Group intends to apply the Net Proceeds in accordance with the proposed applications set out in the section headed "Future Plans and Use of Proceeds" to the prospectus of the Company dated 7 August 2018 (the "**Prospectus**"). As at 31 March 2021, the Group had used up approximately HK$76.7 million of the Net Proceeds.

An analysis of the utilisation of the Net Proceeds from the date of Listing up to 31 March 2021 is set out below:

	Planned use of Net Proceeds stated in the Prospectus *HK$ million*	**Actual use of Net Proceeds up to 31 March 2021** *HK$ million*	**Unutilised amount up to 31 March 2021** *HK$ million*	**Expected timeline for full utilisation of the unutilised Net Proceeds**
To take out surety bonds for contracts we have secured or plan to secure	54.1	54.1	–	N/A
To finance our upfront cost and working capital requirement for one superstructure building project awarded to us	9.4	9.4	–	N/A
To expand our workforce and strengthen our manpower resources	4.8	3.0	1.8	on or before 31 December 2021
To repay bank borrowings	10.2	10.2	–	N/A
	78.5	76.7	1.8	

As at the date of this annual report, the unutilised Net Proceeds were placed as interest-bearing deposits with licensed bank in Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS

The Directors regularly evaluate the Group's business objectives and may change or modify plans against the changing market condition to ascertain the business growth of the Group. During the year ended 31 March 2021, the Directors considered that no modification of the intended use of proceeds described in the Prospectus was required.

The unutilised Net Proceeds of approximately HK$1.8 million as at 31 March 2021 were planned to be used for expanding our workforce and strengthening our manpower resources. However, due to the delay in schedule of new projects, the unutilised Net Proceeds are expected to be utilised for same specific use by 31 December 2021, subject to change in works progress of newly awarded projects.

The expected timeline for the use of unutilised Net Proceeds is made based on the best estimation of the Company taking into account, among others, prevailing and future market conditions and business developments and need, and therefore is subject to change.

Employees and Remuneration Policies

As at 31 March 2021, the Group employed a total of 66 employees (including executive Directors) compared to a total of 62 employees as at 31 March 2020. The total salaries and related costs (including Directors' remuneration) for the year ended 31 March 2021 were approximately HK$30.0 million (2020: approximately HK$29.5 million) The remuneration package of the Group offered to our employees includes salary, bonuses and other cash subsidies. In general, the Group would determine each employee's salaries based on their qualifications, position and seniorities. The Group has devised an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, distribution of bonuses and promotions.

The emoluments of the Directors are decided by the Board and recommended by the remuneration committee of the Company, having considered the factors such as the Group's financial performance and the individual performance of the Directors, etc.

The Company has adopted a share option scheme to provide incentive and rewards to the Directors and eligible employees for their contribution to the Group.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Chan Kam Tong (陳金棠) ("Mr. KT Chan"), aged 59, is the chairman of the Board and an executive Director. He was appointed as a Director on 11 May 2017 and was redesignated as an executive Director and appointed as the chairman of the Board on 25 July 2018. Mr. KT Chan is the co-founder of Head Fame Company Limited ("**Head Fame**"), our operating subsidiary, and has been a director of Head Fame since 22 April 2002. He is also a director of Century Success Limited, Acquire Success Limited and Acquire Success (Hong Kong) Limited. Mr. KT Chan is responsible for the overall strategic planning, business development, and corporate management and sales and marketing of the Group.

Mr. KT Chan has over 35 years of experience in the construction industry since his joining in Head Fame in 1985. Mr. KT Chan also holds public position in the construction industry. He is currently a director of Hong Kong General Building Contractors Association Limited and a Council Member of the Tenth Committee of Hong Kong General Building Contractors Association.

Mr. KT Chan obtained a Bachelor of Science Degree in Construction Engineering & Management from The Queen's University of Brighton in July 2006. He completed a long distance course and obtained an Entrepreneur MBA Certificate for construction industry awarded by Distance Education College of Fudan University (復旦大學網路教育學院) in September 2006.

Mr. KT Chan is the cousin of Mr. Chan Kam Ming.

Mr. Chan Kam Ming (陳金明) ("Mr. KM Chan"), aged 58, is the chief executive officer of the Company and an executive Director. He was appointed as a Director on 11 May 2017 and was redesignated as an executive Director and appointed as the chief executive officer of the Company on 25 July 2018. Mr. KM Chan is the co-founder of Head Fame and has been a director of Head Fame since 5 February 2001. He is also a director of Century Success Limited, Acquire Success Limited and Acquire Success (Hong Kong) Limited. Mr. KM Chan is responsible for formulating corporate and business strategies and making major operation decisions of the Group.

Mr. KM Chan has over 35 years of experience in the construction industry since his joining in Head Fame in 1985. His responsibilities in the Group include formulating and determining corporate and business strategies, making major operation decisions, monitoring the business operations, estimating the construction projects, administrating tendering matters, as well as reviewing and approving main contracts and subcontracts.

Mr. KM Chan is the cousin of Mr. KT Chan.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Hau Wing Shing Vincent (侯穎承) ("Mr. Hau"), aged 48, was appointed as an independent non-executive Director on 24 July 2018. He is also a member of the audit committee of the Company (the "**Audit Committee**") and nomination committee of the Company (the "**Nomination Committee**"). He is primarily responsible for providing independent judgement on issues of strategy, policy, performance, accountability, resource, key appointments and standard of conduct of the Group.

Mr. Hau obtained his Bachelor's Degree in Laws from The University of Hong Kong in December 1994. Mr. Hau was admitted in August 1997 as a solicitor of the High Court of the Hong Kong Special Administrative Region and is still currently practising as a solicitor. He served as an assistant solicitor in Joseph S.C. Chan & Co. Solicitors from August 1997 and later served as a partner from September 2000 to May 2006. Since May 2006, Mr. Hau has been serving as a senior partner in Messrs. V. Hau & Chow. He is now the honorary legal advisors of Hong Kong Chinese Civil Servants' Association, Hong Kong Nurses General Union and Shining Stars Foundation Hong Kong.

Mr. Hau focuses his practice on commercial transactions, litigation, banking and insolvency. He has experience in advising on compliance matters for listed companies and handling criminal cases involving directors of a wholly-owned subsidiary of a company listed on the Stock Exchange. Since November 2015, Mr. Hau has been a director of WLS Limited, which is a subsidiary of Milan Station Holdings Limited (stock code: 1150) and is engaged in retailing of spa and wellness products. Mr. Hau is in charge of the business operation, cash flow and compliance matters for WLS Limited and assists to prepare and review the commercial documents for Milan Station Holdings Limited.

Mr. Szeto Cheong Mark (司徒昌) ("Mr. Szeto"), aged 51, was appointed as an independent non-executive Director on 24 July 2018. He is also the chairman of the Audit Committee and a member of the Remuneration Committee. He is primarily responsible for providing independent judgement on issues of strategy, policy, performance, accountability, resource, key appointments and standard of conduct of the Group.

Mr. Szeto has over 25 years of experience in business management and investment banking. Mr. Szeto is the founder and chief executive officer of a telemedicine platform. Prior to this, he served as the chief executive officer in Glorious FX Limited where he was responsible for the group's investment activities. Mr. Szeto has previously worked for several financial institutions, namely Standard Chartered Bank, Schroders, Peregrine, and Lehman Brothers. Mr. Szeto has participated in numerous project financing, leveraged finance, structured finance, private equity, and restructuring transactions. Mr. Szeto started his career with EY as an auditor.

Mr. Szeto obtained his Bachelor's Degree of Science in Human Biology and a Master's Degree of MBA in accounting from University of Toronto in June 1990 and June 1992 respectively. He is a member of the American Institute of Certified Public Accountants ("**AICPA**") and the Hong Kong Society of Accountants (now known as Hong Kong Institute of Certified Public Accountants ("**HKICPA**")) since 1994.

Mr. Wan Simon (溫耀祥) ("Mr. Wan"), aged 53, was appointed as an independent non-executive Director on 24 July 2018. He is also the chairman of the Remuneration Committee, and a member of the Audit Committee and Nomination Committee. He is primarily responsible for providing independent judgement on issues of strategy, policy, performance, accountability, resource, key appointments and standard of conduct of the Group.

Mr. Wan has over 26 years of experience in the sales and marketing of the building materials or interior products. Prior to joining the Group, he worked in several companies where his role was liaising with main contractors to execute subcontract works in each construction project, like providing technical skills and solutions to installation works and ensuring the suitability of building materials or interior products. He served 6 years in Milliken & Company till November 2000 with his last position as a senior territory manager. Milliken & Company operates in a breadth of disciplines including specialty chemical, floor covering and performance materials. From May 2001 to February 2002, he worked as a project manager in Herman Miller Hong Kong Ltd., a furniture company. From April 2003 to September 2004, he worked at Dupont Textiles & Interiors (Hong Kong) Limited (now known as LYCRA Company Hong Kong Limited) as a regional maintenance operations manager.

Since December 2004, Mr. Wan has been working in Sebel Furniture (Hong Kong) Limited (now known as Sebel Pty Ltd.), which is a leading manufacturer and supplier of educational and school furniture. His current position is a regional manager, Asia and his duties are to sustain business growth through regional and local expansion plans within key market segments through direct and channel distribution and to prepare and manage tender packages that require additional technical knowledge during the bidding process to marginalise over potential errors.

Mr. Wan obtained his Bachelor's Degree of Science in Building from South Bank University in June 1992.

SENIOR MANAGEMENT

Mr. Wan Sze Hok Wilson (溫士學) ("Mr. Wilson Wan"), aged 71, is a contracts manager of the Group. He joined the Group in January 2016 as a contracts manager of Head Fame and served as a director of Head Fame since 22 May 2017. Mr. Wilson Wan is responsible for administering overall tender bidding, contracts including main contracts and subcontracts, and budget control of the project construction in the Group.

Mr. Wilson Wan has over 41 years of experience in the construction industry. Prior to joining the Group, Mr. Wilson Wan had handled various types of construction activities including demolition works, piles foundation works, alteration and addition works, building construction, government works and historical building renovation in Hong Kong. He worked in Cheong Ming Construction & Engineering Co., Ltd. from June 1979 to November 1987 for his last position of that company as a site quantity surveyor. He served as quantity surveyor in Kumagai Gumi (Hong Kong) Limited from December 1987 to May 1990 and as a senior quantity surveyor in Wah Seng General Contractors Ltd. from April 1995 to August 2005. From November 2007 to October 2015, he served his last position in New City Construction Co., Ltd as a contracts manager and a technical director.

Mr. Wilson Wan obtained a Higher Certificate in Building Studies from Hong Kong Polytechnic University in November 1988 and a Bachelor of Science Degree with a Major in Construction Management with Emphasis in Quantity Surveying from Pacific Western University in February 1990. He also obtained a Bachelor of Engineering Technology Degree and a Master of Construction Engineering and Management Degree from Griffith University in March 2008 and September 2005 respectively. He further graduated from City University of Hong Kong with the Degree of Engineering Doctorate in July 2014.

Mr. Wilson Wan was admitted as a member of the Chartered Institute of Building and a member of the Institution of Civil Engineers in November 2007 and June 2008 respectively. In November 2012, Mr. Wilson Wan was elected as a professional member of the Royal Institution of Chartered Surveyors.

Mr. Lee Kam Meng (李金明) ("Mr. Lee"), aged 66, is a general site supervisor of the Group. He joined the Group in November 2015 as the supervisor of Head Fame and was promoted to be a general site supervisor. Mr. Lee's duty is to manage and monitor overall site supervisions and all site activities of the Group's projects.

Mr. Lee has over 43 years of on-hand experience in building construction where he started his career in a construction company, Shun Shing Construction & Engineering Co., Ltd. ("**Shun Shing**") in 1977. After he resigned from Shun Shing in December 2009, he worked as a site agent in Leung Cheung Shing Construction & Engineering Co., Ltd. till February 2015. Within his services in this field, he has undergone major projects including but not limited to casino projects in Macau, administration building of Yan Chai Hospital and Leung King Estate public housing.

In addition, Mr. Lee has been a safety officer registered in Hong Kong since June 1994. He obtained a Diploma and a Professional Diploma in Occupational Health and Safety from Li Ka Shing Institute of Professional and Continuing Education, Open University of Hong Kong in November 2006 and November 2009 respectively. Through his working experience, he was admitted as a member of Hong Kong Institute of Construction Managers in September 2004.

Mr. Ho Chi Lai, Johnny (何志禮) ("Mr. Ho"), aged 58, is a project manager of the Group. Mr. Ho joined the Group in March 2006 as a project manager of Head Fame. Mr. Ho is responsible for the overall monitoring the construction projects, cost estimating, managing the quality management system and administrating tendering works of the Group.

Mr. Ho has over 36 years of experience in the construction and building works industry. Prior to joining the Group, Mr. Ho had participated in numerous residential, commercial and ASD projects in Hong Kong. He had served many construction companies, including but not limited to, WMKY Limited as an assistant engineer from April 1987 to April 1988, Lee Shing Yue Construction Company Limited as a projects manager from June 1998 to September 2000, and Hong Kong Wai Yip Building Materials Limited (now known as Hong Kong Wai Yip Building Construction Limited) as a site agent, from September 2003 to May 2005.

Mr. Ho obtained an Honours Diploma in Civil Engineering from Hong Kong Baptist College in January 1986, a Higher Diploma in Applied Statistics from City Polytechnic of Hong Kong in November 1992 and a Master of Science in Engineering Management from City University of Hong Kong in November 2001. He then obtained a Bachelor of Engineering Degree in Civil Engineering from The Queen's University of Brighton in October 2003.

Ms. Chan Ka Po Phoebe (陳嘉寶) ("Ms. Phoebe Chan"), aged 49, is a contracts manager of the Group. She joined the Group in December 2020 as a contracts manager of Head Fame. Ms. Phoebe Chan is responsible for administering overall tender bidding, contracts including main contracts and subcontracts, and budget control of the project construction in the Group.

Ms. Phoebe Chan has over 26 years of experience in the construction industry and surveying works. Prior to joining the Group, she joined Super Strong Holdings Limited (stock code: 8262) in June 2001 as a senior quantity surveyor and was promoted to quantity surveying manager in April 2007, with her last position of that company as Chief Quantity surveyor in October 2018. She served as Senior Quantity Surveyor in CK Asset Holdings Limited (stock code: 1113) from November 2018 to June 2020 and as an assistant quantity surveying manager in Wecon Holdings Limited (stock code: 1793) from June 2020 to Dec 2020.

Ms. Phoebe Chan obtained a Bachelor of Science in Building Technology and Management degree from the Hong Kong Polytechnic in November 1994. She was elected a Member of the Hong Kong Institute of Surveyors in May 2006, a Professional Member of the Royal Institution of Chartered Surveyors in October 2006, and became a Registered Professional Surveyor in the Quantity Surveying Division in October 2007.

Mr. Wong Chi Chui (黃智取) ("Mr. Wong"), aged 49, is a company secretary of the Company (the "**Company Secretary**"). He was appointed as the Company Secretary on 11 May 2017. He was appointed as the chief financial officer of the Company on 25 July 2018. Mr. Wong has extensive experience in the fields of accounting, financial management, auditing and compliance matters of listed companies.

Mr. Wong graduated from Curtin University of Technology (now known as Curtin University) with a Bachelor's Degree of Commerce, majoring in Accounting and Accounting Technologies. He is a member of the CPA Australia and a member of the HKICPA.

REPORT OF THE DIRECTORS

The Board presents its report and the audited financial statements of the Group for the year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the principal activities of its subsidiaries are provision of superstructure building and RMAA works service as a main contractor in Hong Kong.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2021 are set out in the financial statements on pages 82 to 137 of this annual report. The Board does not recommend the payment of any dividend for the year ended 31 March 2021 (2020: HK1.0 cent per share).

BUSINESS REVIEW

A review of the business of the Group during the year ended 31 March 2021 and a discussion on the Group's future business development are provided in the Chairman's Statement on pages 5 to 6 of this annual report. The financial risk management objectives and policies of the Group can be found in the note 29 to the consolidated financial statements. An analysis of the Group's performance during the year ended 31 March 2021 using financial key performance indicators is provided in the management discussion and analysis on pages 7 to 12 of this annual report. In addition, discussions on the Group's environmental policies, relationship with its key stakeholders, key risks and uncertainties and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the Report of the Directors on pages 18 to 29 of this annual report.

ENVIRONMENTAL POLICY

The Group strives to mitigate the impact of its operations on environmental and natural resources. The Group's operation does make an impact on water, air and land, and therefore on the ecosystem. Therefore, the Group implements a range of measures for environmental protection and sustainable development, complies with applicable environmental-related laws and regulations and strives to operate in a responsible manner which balances the need for operation with minimising its environmental impact.

The Group continuously introduces measures to source control and end treatment with the purpose of fulfilling targets for reducing, reusing, recycling and renewing raw materials, reducing emissions and waste, improving the utilisation efficiency of water and energy resources, and minimising the effect of the operation on the environment and natural resources.

Moving forward, the Group also endeavours to meet the requirements of certain industry's codes of practice such as the BEAM Plus New Buildings issued by the Hong Kong Green Building Council and the BEAM Society.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year, as far as the Group is aware, there was no material breach or non-compliance with applicable laws and regulation by the Group that has a significant impact on its business and operations.

KEY RISKS AND UNCERTAINTIES

The Group believes that there are certain risks and uncertainties involved in its operations but the Group uses its best endeavors to ensure its sufficient to mitigate the risks present in our operations and financial position.

- Our revenue relies on successful tenders of our projects which are not recurrent in nature, and there is no guarantee that our customers will provide us with new business or that we will secure new customers;
- The Group makes estimation of our project costs in our tenders and any failure to accurately estimate the costs involved and/or delay in completion of any project may lead to cost overruns or even result in losses;
- The Group relies on subcontractors to help complete our contracts;
- The Group is exposed to our customers' credit risks and our liquidity position may be adversely affected if our customers fail to make payment on time or in full;
- Our performance depends on market conditions and trends in the construction industry and in the overall economy and there is no assurance that if the property market in Hong Kong further deteriorates, there will be no material adverse impact on the Group's operation or at all, or the Group will be able to take appropriate measures to minimise the adverse impact on it; and
- The Group operates in a highly competitive market.

RELATIONSHIPS WITH STAKEHOLDERS

The Directors recognises that the Group's employees, customers, suppliers and subcontractors are the keys to its sustainable development.

Employees

The Group has maintained good relationship with its employees. The Group provides the remuneration package, including salary, bonuses and other cash subsidies to attract and retain appropriate and suitable personnel to serve the Group. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of its decisions with respect to an increase in salary, distribution of bonuses and promotions.

Customers

The Group has established a stable customer base within the private sector. Its customers in the private sector include private property developers and commercial enterprises which require superstructure building and/or RMAA works services. The Group believes that the established working relationships with its major customers have enhanced its market recognition and enabled the Group to attract more business opportunities.

Suppliers and subcontractors

The Group has established long-term and close working relationships with its major suppliers and subcontractors, some of whom have working relationships with the Group for 10 years. The performance of subcontractors and the quality of superstructure building and RMAA works contracted by the Group can be assured by the close relationship with its subcontractors.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and total equity of the Group for the last five financial years, as extracted from the published annual reports and audited financial statements of the Company for the year ended 31 March 2021 are set out on page 138. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 March 2021 are set out in note 15 to the consolidated financial statements, respectively.

SHARE CAPTIAL

Details of movements during the year ended 31 March 2021 in the share capital of the Company are set out in note 24 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the memorandum and articles of association ("**Articles**") of the Company or the laws of Cayman Islands, which oblige the Company to offer new Shares on a pro-rata basis to the exiting Shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained a sufficient public float as required under the rules governing the listing of securities on the Stock Exchange (the "**Listing Rules**").

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2021.

RESERVES

Details of movements in the reserves of the Group and the Company as at 31 March 2021 are set out in page 84 and note 24 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Details of distributable reserves of the Company as at 31 March 2021 are set out in note 24 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2021, the Group's largest customer and the five largest customers accounted for approximately 49.6% and 100.0% of the Group's total turnover respectively.

For the year ended 31 March 2021, the Group's largest supplier and five largest suppliers which were the subcontractors accounted for approximately 8.6% and 32.7% of the Group's total of cost of services respectively.

None of the Directors, their close associates or any Shareholders (which to the knowledge of the Directors who owned more than 5% of the Company's share capital) had any interest in the five largest customers or suppliers during the year ended 31 March 2021.

REPORT OF THE DIRECTORS

DIRECTORS

The Directors of the Company during the year ended 31 March 2021 and up to the date of this annual report were:

Executive Directors:

Mr. Chan Kam Tong *(Chairman)*
Mr. Chan Kam Ming *(Chief Executive Officer)*

Independent Non-executive Directors ("INEDs"):

Mr. Hau Wing Shing Vincent
Mr. Szeto Cheong Mark
Mr. Wan Simon

The Company has received written annual confirmation of independence from all INEDs. The Group considers all INEDs to be independent under the Listing Rules.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the directors and senior management of the Company are set out on pages 13 to 17 of this annual report.

DIRECTORS' SERVICE CONTRACTS

All INEDs have respectively entered into a letter of appointment with the Company for a term of 1 year unless terminated by not less than one month's notice in writing served by either party on the other.

Apart from the forgoing, no Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within 1 year without payment of compensation other than statutory compensation.

DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration of the Directors and the five highest paid employees of the Group are set out in note 12 to the consolidated financial statements.

EMOLUMENT POLICY

The emolument policy of the Group is based on the merit, qualification and competence and are reviewed by the Remuneration Committee periodically. The emolument of the Directors are decided by the Board after recommendation from the Remuneration Committee in accordance with the performance of the Group and individual performance and comparable market statistics.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENTS AND CONTRACTS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent companies was a party and in which a Director or controlling shareholders of the Company and the Director's connected party had a material interest, whether directly or indirectly, subsisted at any time during the year ended 31 March 2021.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole of any substantial part of the business of the Group was entered into or existed during the year ended 31 March 2021.

COMPETING INTERESTS

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules during the year ended 31 March 2021 and up to the date of this annual report.

NON-COMPETITION UNDERTAKING

Each of the controlling shareholders of the Company has made an annual declaration to the Company that during the year ended 31 March 2021 and up to date of this annual report, he/it has complied with the term of non-competition undertakings ("**Non-Competition Undertakings**") given in favour of the Company. The INEDs have also reviewed the status of compliance by each of the controlling shareholders of the Company with the undertakings stipulated in the Non-Competition Undertakings and have confirmed that, as far as the INEDs can ascertain, there is no breach of any of such undertakings.

RELATED PARTY TRANSACTIONS

Details of material related party transactions entered into by the Group during the year ended 31 March 2021 are set out in note 27 to the consolidated financial statements. For the year ended 31 March 2021, none of these related party transactions are connected transaction which are subject to the disclosure requirements of Chapter 14A of the Listing Rules in respect of such transactions.

CONNECTED TRANSACTIONS

For the year ended 31 March 2021, there was no transactions which constituted connected transaction(s) or continuing connected transaction(s) of the Company.

PERMITTED INDEMNITY PROVISION

In accordance with article 191 of the Articles, the Directors or other officers of the Company shall be indemnified out of the assets and profits of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of their office or otherwise in relation thereto. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors.

DONATIONS

Charitable and other donations made by the Group during the year ended 31 March 2021 amounted to HK$14,000 (2020: HK$17,000).

EQUITY-LINKED AGREEMENTS

As at 31 March 2021, no equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company.

SHARE OPTION SCHEME

The principal terms of the Share Option Scheme conditionally adopted under the written resolutions of the Shareholders passed on 25 July 2018 are set below:

Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide incentives or rewards to Participants (as defined below) for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity.

Participants

Participant means any person belonging to any of following classes of participants:

(a) any employee (whether full time or part time employee, including any executive Directors) of the Company, any of its subsidiaries and any entity in which the Group holds any equity interest (the "**Invested Entity**") eligible;

(b) any non-executive Director (including INEDs) of the Company, any of its subsidiaries or any Invested Entity;

(c) any supplier of goods or services to any member or Invested Entity;

(d) any customer of any member of the Group or any Invested Entity;

(e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;

(f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

(g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and

(h) any other group or classes of participants who have contributed or may contribute, by way of joint venture, business alliance, other business arrangement or otherwise, to the development and growth of the Group, and for the purposes of the Share Option Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of Participants or any discretionary object of a Participant which is a discretionary trust.

Total number of shares available for issue under the Share Option Scheme

The total number of Shares which may be issued upon the exercise of all options (excluding for this purposed option(s) which have lapsed in accordance with the terms of the Share Option Scheme and any other schemes) to be granted under the Share Option Scheme and any other schemes must not, in aggregate, exceed 10% of the total number of the Shares in issue on the Listing Date. On the basis of 800,000,000 Shares in issue on the Listing Date, the limit will be equivalent to 80,000,000 Shares, representing 10% of the Shares in issue as at the Listing Date.

Maximum entitlement of each participant

No Participant shall be granted option(s) which would result in the total number of Shares already issued and to be issued upon the exercise of all the Options granted to such Participant (including exercised, cancelled and outstanding Options) in any 12-month period exceeding 1% of the total number of Shares in issue, provided that if separately approved by Shareholders in general meeting with such Participant and his close associates (or his associates if such Participant is a connected person) abstaining from voting, the Company may make further grant of option(s) to such Participant (the "**Further Grant**") notwithstanding that the Further Grant would result in the total number of Shares already issued and to be issued upon the exercise of all the options granted to such Participant (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of such Further Grant exceeding 1% of the total number of Shares in issue.

Term of subscription of shares upon exercise of the options

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined by the Board absolutely, provided that such period shall not be more than 10 years from the date upon which the option is deemed to be granted and accepted in accordance with the Share Option Scheme.

Minimum period for which an option must be held before it can be exercised

The Board may, at its discretion, determine the minimum period for which the option has to be held before the option can be exercised.

Time of acceptance and the amount payable on acceptance of the option

Upon acceptance of an offer for grant of options, the Grantee shall pay HK$1.00 to the Company as consideration for the grant. The options will be offered for acceptance for a period of 21 days from the date of the offer.

No option was granted under the Share Option Scheme during the year ended 31 March 2021 and no options granted under the Share Option Scheme were exercised, lapsed or cancelled during the year ended 31 March 2021.

Basis of determining the subscription price

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme is determined by the Board provided that it shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a trading date; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading dates immediately preceding the date of grant; or (iii) the nominal value of a Share.

The remaining life of the scheme

The Share Option Scheme will remain effective for a period of ten years commencing from 25 July 2018 and the remaining life of the Share Option Scheme is about seven years.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No transaction, arrangement or contract of significance to which the company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director had a material interest, subsisted at the end of the year or at any time during the year.

DIRECTORS' AND CHIEF EXECTUIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR THE ASSOCIATED CORPORATIONS

As at 31 March 2021, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) ("**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); (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 ("**Model Code**") as set out in Appendix 10 of the Listing Rules, were as follows:

Name of Directors	Nature of interest	Interest in ordinary shares	Approximate percentage of interests in the Company
Mr. KT Chan	Interest in a controlled corporation	540,000,000 *(note)*	67.5%
Mr. KM Chan	Interest in a controlled corporation	540,000,000 *(note)*	67.5%

Note:

These Shares are held by Shiny Golden Limited ("**Shiny Golden**"), which is beneficially owned as to 50% by Mr. KT Chan and 50% by Mr. KM Chan. On 26 May 2017, Mr. KT Chan and Mr. KM Chan entered into the Acting in Concert Confirmation to acknowledge and confirm, among other things, that they are the parties acting in concert that to continue to act in the same manner in the Company upon the Listing. By virtue of the SFO, Mr. KT Chan and Mr. KM Chan are deemed to be interested in all the Shares held by Shiny Golden.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 March 2021, the following persons/entities (other than the Directors or chief executive officer of the Company) have interests or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which recorded in the register required to be kept under Section 336 of the SFO.

Long Position in the shares of the Company

Name of shareholders	Nature of interest	Total number of ordinary shares and underlying shares *(Note 1)*	Approximate percentage of interests in the Company
Shiny Golden	Beneficial owner *(Note 2)*	540,000,000	67.5%
Ms. Shu Ah Ping	Interest of spouse *(Note 3)*	540,000,000	67.5%
Ms. Ng Wing Mui	Interest of spouse *(Note 4)*	540,000,000	67.5%
UG China Venture II Limited ("**UG**")	Beneficial owner *(Note 5)*	40,000,000	5%
UG Capital Limited	Investment manager *(Note 6)*	40,000,000	5%
Mr. Lau Chi Yin Thomas	Beneficial owner *(Note 6)*	40,000,000	5%
Ms. Tsui Wing Suen Bernadette	Interest of spouse *(Note 7)*	40,000,000	5%

Notes:

1. All interests stated are long positions.

2. Shiny Golden is the direct Shareholder, which is beneficially owned as to 50% by Mr. KT Chan and 50% by Mr. KM Chan. On 26 May 2017, Mr. KT Chan and Mr. KM Chan entered into the Acting in Concert Confirmation to acknowledge and confirm, among other things, that they are the parties acting in concert that to continue to act in the same manner in the Group upon the Listing. By virtue of the SFO, Mr. KT Chan and Mr. KM Chan are deemed to be interested in all the Shares held by Shiny Golden.

3. Ms. Shu Ah Ping is the spouse of Mr. KT Chan. Accordingly, Ms. Shu Ah Ping is deemed or taken to be interested in the Shares held by Mr. KT Chan under the SFO.

4. Ms. Ng Wing Mui is the spouse of Mr. KM Chan. Accordingly, Ms. Ng Wing Mui is deemed or taken to be interested in the Shares held by Mr. KM Chan under the SFO.

5. UG is the direct Shareholder, which is legally owned as to one voting share by UG Capital Limited and 11,600 non-voting Shares by other independent third parties.

6. UG Capital Limited is the investment manager of UG. UG Capital Limited is deemed to be interested in all the Shares in which UG is interested by virtue of the SFO. UG Capital Limited is wholly-owned by Mr. Lau Chi Yin Thomas. To the best knowledge of the Directors, each of UG, UG Capital Limited and Mr. Lau Chi Yin Thomas is an independent third party.

7. Ms. Tsui Wing Suen Bernadette is the spouse of Mr. Lau Chi Yin Thomas. Accordingly, Ms. Tsui Wing Suen Bernadette is deemed or taken to be interested in the Shares held by Mr. Lau Chi Yin Thomas under the SFO.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March 2021.

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or the Group after 31 March 2021 and up to the date of this annual report.

CORPORATE GOVERNANCE

The Company's Corporate Governance Report is set out on pages 30 to 42.

AUDITOR

The consolidated financial statements have been audited by BDO Limited, who will retire and, being eligible, offer themselves for reappointment at the forthcoming annual general meeting of the Company.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the year ended 31 March 2021 were approved by the Board on 23 June 2021.

On behalf of the Board
Chan Kam Tong
Chairman

Hong Kong, 23 June 2021

CORPORATE GOVERNANCE REPORT

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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and complied with applicable code provisions (the "**Code Provisions**") in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules during the year ended 31 March 2021 and up to the date of this annual report. The Directors will periodically review on the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code contained in Appendix 10 to the Listing Rules as its own code of conduct of dealings in securities of the Company by Directors. Having made specific enquiry to all Directors, all Directors have complied with the required standard as set out in the Model Code for the year ended 31 March 2021 and up to the date of this annual report.

BOARD OF DIRECTORS

Composition and role

The composition of the Board during the year ended 31 March 2021 and up to the date of this annual report is set out below:

Executive Directors:

Mr. Chan Kam Tong *(Chairman)*
Mr. Chan Kam Ming *(Chief Executive Officer)*

Independent Non-executive Directors:

Mr. Hau Wing Shing Vincent
Mr. Szeto Cheong Mark
Mr. Wan Simon

Role and functions of the Board and management

The principal function of the Board are to formulate corporate strategy and business development and to ensure a high standard of corporate governance. The Board has delegated the authority and responsibility for implementing business strategy and managing day-to-day administration and operations of the Group's business to the chief executive officer and the senior management. Executive Directors and the senior management meet regularly to review the performance of the business of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board is regularly provided with management update report to give a balanced and understandable assessment of the performance, position, recent development and prospect of the Group in sufficient details.

The Company continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills.

The biographies of the Directors during the year ended 31 March 2021 and up to the date of this annual report and the relationships among them are set out in the "Biographies of Directors and Senior Management" section on pages 13 to 17 of this annual report. The executive Directors bring a good balance of skills and experience to the Company. The independent non-executive Directors provide their independent judgement on the development, performance and risk management of the Group. The Directors are fully aware that they are individually and collectively accountable to shareholders.

Directors' continuous professional development

During the year ended 31 March 2021, all Directors confirmed to comply with the provision of the CG Code in relation to continuous professional development. In doing so, the Directors have undertaken various forms of activities relevant to the Company's business and Directors' duties and responsibilities. The Company held a training for all Directors to provide them with knowledge on the duties and responsibilities of the Directors before they were on board.

The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors during the year ended 31 March 2021 and up to date of this annual report are summarised as follows:

	Attending seminar(s) or programme(s)/ reading relevant materials
Executive Directors:	
Mr. Chan Kam Tong *(Chairman)*	✓
Mr. Chan Kam Ming *(Chief Executive Officer)*	✓
Independent Non-executive Directors:	
Mr. Hau Wing Shing Vincent	✓
Mr. Szeto Cheong Mark	✓
Mr. Wan Simon	✓

Meetings

Attendance records of the Board meetings, meetings of all committees and general meetings of the Company during the year ended 31 March 2021 and up to the date of this annual report were set out below:

	Board meeting	**Audit Committee meeting**	**Remuneration Committee meeting**	**Nomination Committee meeting**	**Annual general meeting**
Number of meetings held	6	3	4	1	1
Name of Director		Number of meetings attended			
Executive Directors:					
Mr. Chan Kam Tong *(Chairman)*	6/6	N/A	N/A	1/1	1/1
Mr. Chan Kam Ming *(Chief Executive Officer)*	6/6	N/A	4/4	N/A	1/1
Independent Non-executive Directors:					
Mr. Hau Wing Shing Vincent	6/6	3/3	N/A	1/1	1/1
Mr. Szeto Cheong Mark	6/6	3/3	4/4	N/A	1/1
Mr. Wan Simon	6/6	3/3	4/4	1/1	1/1

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established to ensure a balance of power and authority.

Mr. KT Chan serves as the chairman of the Board and is responsible for overall strategic planning, business development and corporate management. Mr. KM Chan serves as the chief executive officer of the Company and is responsible for formulating corporate and business strategies and making major operation decisions.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has appointed three INEDs representing more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the INEDs in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all INEDs are independent.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive and independent non-executive Directors has entered into a service agreement or a letter of appointment with the Company for a specific term and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles.

In accordance with Article 108(a) of the Articles, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, 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. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

In accordance with Article 112 of the Articles, any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Any Director appointed under this Article 112 shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

BOARD COMMITTEES

The Board has established three committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. The table below provides the membership information of these committees on which certain Board members served:

Name of Director	Audit Committee	Remuneration Committee	Nomination Committee
Mr. Chan Kam Tong	–	–	C
Mr. Chan Kam Ming	–	M	–
Mr. Hau Wing Shing Vincent	M	–	M
Mr. Szeto Cheong Mark	C	M	–
Mr. Wan Simon	M	C	M

Notes:

C – committee chairman

M – committee member

Audit Committee

The Company established the Audit Committee in compliance with Rule 3.21 of the Listing Rules with written terms of reference in compliance with Rule 3.22 of the Listing Rules and Paragraph C.3.3 of the CG Code. The Board adopted a set of the revised terms of reference of the Audit Committee effective from 2 January 2019, which had included changes in line with the requirements under the Listing Rules. The Audit Committee is comprised of three INEDs, namely Mr. Szeto Cheong Mark, Mr. Hau Wing Shing Vincent and Mr. Wan Simon. Mr. Szeto Cheong Mark is the chairman of the Audit Committee.

The Audit Committee is mainly responsible for considering all relationships between the Company and the auditing firm (including the provision of non-audit services), monitoring the integrity of the Company's financial statements and issues arising from the audit, and reviewing the Group's internal controls and risk management. In addition, the Audit Committee has been delegated the responsibility to perform the corporate governance functions including:

1. Reviewing and monitoring the Company's policies and practices in compliance with legal and regulatory requirements;

2. Reviewing and monitoring the training and continuous professional development of the Directors and senior management;

3. Developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees of the Company and the Directors;

4. Developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board and reporting to the Board on such matters;

5. Reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report;

6. Reviewing and monitoring the Company's compliance with the Company's whistleblowing policy; and

7. Considering any other topics, as determined by the Board.

A summary of the work performed by the Audit Committee during the year ended 31 March 2021, the Audit Committee reviewed and discussed consolidated financial statements of the Group for the financial year ended 31 March 2021 and the Group's unaudited interim results for the six months ended 30 September 2020 with the external auditor, considered and approved the audit work of the auditors, reviewed the business and financial performance of the Company and internal control system and risk management, and determined the policy for corporate governance. The Group's annual report for the year ended 31 March 2021 has been reviewed by the Audit Committee.

The terms of reference of the Audit Committee which can be viewed on the website of the Company under the section headed "INVESTOR RELATIONS" and the website of the Stock Exchange.

Remuneration Committee

The Company established the Remuneration Committee in compliance with Rule 3.25 of the Listing Rules with written terms of reference in compliance with Rule 3.26 of the Listing Rules and Paragraph B.1.2 of the CG Code. The primary duties of the Remuneration Committee, under the principle that no Director or any of his associates should be involved in deciding his own remuneration include, among others, making recommendations to the Board on (a) remuneration policy and structure for all of the Directors and senior management; (b) the establishment of a format and transparent procedure for developing remuneration policies; (c) the remuneration packages of the executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their offices or appointments; and (d) the remuneration of the INEDs. The Remuneration Committee is comprised of two INEDs, namely Mr. Wan Simon and Mr. Szeto Cheong Mark, and one executive Director, namely Mr. Chan Kam Ming. Mr. Wan Simon is the chairman of the Remuneration Committee.

The Remuneration Committee held four meetings up to the date of this annual report. The Remuneration Committee reviewed and approved the Group's policy on salary adjustment and discretionary bonus which applies to Directors and senior management of the Company and the policy has been set to align with the Group's operating performance while taking into account as salaries paid by comparable companies, time commitment and responsibilities of Directors and senior management. In addition, the Company awards discretionary bonus as performance-based bonuses and incentives at executive directors and senior management to the achievement of strategic objectives of the Company can be measured. The discretionary bonus plan is subject to annual review by the Remuneration Committee, depending on changes to the Company's objectives and strategy, the recommendation be made to the Board.

The terms of reference of the Remuneration Committee which can be viewed on the website of the Company under the section headed "INVESTOR RELATIONS" and the website of the Stock Exchange.

Remuneration payment made to senior management (exclude Directors) of the Group for the year ended 31 March 2021 and 2020 falls within the following bands:

	Number of senior management	
Remuneration Band (HK$)	**2021**	**2020**
Nil to HK$1,000,000	1	–
HK$1,000,001 to HK$1,500,000	4	4

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with Paragraph A5.2 of the CG Code. The Board adopted a set of the revised terms of reference of the Nomination Committee effective from 2 January 2019. The primary duties of the Nomination Committee include, among others, (a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (b) identifying individuals suitability qualified to become members of the Board and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; (c) assessing the independence of the INEDs; (d) making recommendations to the Board on the appointment and succession planning for the Directors; and (e) reviewing the policy (the "**Policy**") concerning the diversity of the Board and the measurable objectives that the Board has adopted for implementing the Policy and to make the relevant disclosure on the progress of achieving those objectives in the corporate governance report of the Company. The Nomination Committee is comprised of two INEDs, namely Mr. Hau Wing Shing Vincent and Mr. Wan Simon, and one executive Director, namely Mr. Chan Kam Tong who is the chairman of the Nomination Committee.

A summary of the work performed by the Nomination Committee during the year ended 31 March 2021 and up to the date of this annual report, the members discussed matters relating to composition of the Board and make recommendation thereon to the Board for consideration, the diversity of the Board, the re-election of the Directors at the forthcoming annual general meeting, the recommendation of the measurable objectives that the Board should adopt for implementing the Policy as well as reviewing the independence of the INEDs.

The terms of reference of the Nomination Committee can be viewed on the website of the Company under the section headed "INVESTOR RELATIONS" and the website of the Stock Exchange.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy on 2 January 2019, which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company, in designing the Board's composition, the Board's diversity has been considered from a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge to be devoted as a director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board. The Board may improve one or more diversity perspectives from time to time, and implement the upgraded measurements. The Nomination Committee will review the policy from time to time, including conducting assessments on the effectiveness of the policy. The Nomination Committee will also discuss any amendment that may be necessary, and submit amendment proposals to the Board for approval.

NOMINATION POLICY

The Company has adopted nomination policy (the "**Nomination Policy**") on 2 January 2019. The purpose is to identify and evaluate a candidate for nomination to the Board for appointment or to the Shareholders for election as a Director. The Nomination Committee shall consider, among others, the following criteria in evaluating and selecting candidates for directorships:

- Reputation for integrity;
- Accomplishment, experience and reputation in the relevant industry and other relevant sectors;
- Commitment in respect of sufficient time, interest and attention to the Company's business;
- Diversity in all aspects, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge;
- The ability to assist and support management and make significant contributions to the Company's success;
- Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive Director; and
- Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

Each proposed new appointment, election or re-election of a director shall be assessed and/or considered against the criteria and qualifications set out in the Nomination Policy by the Nomination Committee which shall recommend its views to the Board and/or the Shareholders for consideration and determination.

The Board will from time to time review the Nomination Policy and monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice.

DIVIDEND POLICY

The Company has adopted dividend policy (the "**Dividend Policy**") on 2 January 2019 in compliance with the Code Provision E.1.5 of the CG Code. It is the policy of the Company, in considering the payments of dividends and to allow Shareholders to participate in the Company's profits whilst retaining adequate reserves for future growth of the Group.

Under the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:

- the general financial condition of the Group;
- capital and debt level of the Group;
- future cash requirements and availability for business operations, business strategies and future development needs;
- any restrictions on payment of dividends that may be imposed by the Group's lenders;
- the general market conditions; and
- any other factors that the Board deems appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and any other applicable laws, rule and regulations and the Articles. The Policy will be reviewed by the Board from time to time and there can be no assurance that a dividend will be proposed or declared in any specific periods.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities against possibility of legal action to be taken against its Directors and officers. During the year ended 31 March 2021, no claim was made against the Directors and officers of the Company.

DIRECTORS' AND EXTERNAL AUDITOR'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of accounts for each financial year which gives a true and fair view of the stage of affairs of the Group and of the results and cash flows for that year. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern, the Board therefore continues to adopt the going concern approach in preparing the consolidated financial statements of the Group.

The responsibilities of the external auditor with respect to the financial reporting are set out in the Independent Auditor's Report of this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for assessing and determining the nature and extent of the risks that the Group is willing to accept in reaching its strategic objectives and to ensure that the Group has established and maintained appropriate and effective risk management and internal control systems.

The Group's risk management and internal control system includes the setting up of a management structure with limits of authority, and are designed to help the Group achieve its business objectives, to protect its assets against unauthorised use or disposition, and to ensure the maintenance of proper accounting records for the provision of reliable financial information and the compliance with relevant laws and regulations. These systems are also designed to provide reasonable but not absolute assurance against material misstatement or loss, and to manage rather than eliminate all risks of failure in the achievement of the Group's business objectives.

During the year ended 31 March 2021, the Company engaged an external independent consulting firm to assist the Board to review and monitor the effectiveness of certain of the Group's risk management and internal controls systems. The external independent consulting firm performed annual risk management and internal control review of all material controls, including financial, operational and compliance controls of the Company. A risk management report and an internal control review report were submitted to the Audit Committee and the Board. Any actions and measures taken to improve risk management and internal controls on the findings and recommendations will be followed up by the external independent consulting firm. Accordingly, the Audit Committee and the Board considered the risk management and internal control systems to be effective and such systems have been implemented with adequate resources during the year ended 31 March 2021.

Main Features of Risk Management and Internal Control Systems

The key elements of the Company's risk management and internal control systems include the establishment of a risk register to keep track of and record identified risks, the assessment and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness.

An ongoing risk management approach is adopted by the Company for identifying and assessing the key inherent risks that affect the achievements of its objectives. A risk matrix is adopted to determine the risk rating (L = low risk, M = medium risk, H = high risk) after evaluation of the risk by the likelihood and the impact of each risk event. The risk ratings reflect the level of managements, attention and risk treatment effort required.

Process used to identify, evaluate and manage significant risks

During the process of risk assessment, each risk owner of departments is required to capture and identify the key inherent risks that affect the achievement of its objectives. Each inherent risk is evaluated according to the risk matrix. After taking into consideration the risk response, such as control measures in place to mitigate the risk, the residual risk of each risk event will be evaluated again. The risk register with the risk responses and residual risks is reported to the management. The management evaluates the effectiveness of the systems and report to the Audit Committee and the Board. The highest category of residual risks is subject to the Board's oversight.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Board has already established a policy on the internal controls procedures for the handling and dissemination of inside information. The policy stipulates the obligations of the Group, in respect of the restriction on disseminating non-public information, handling of rumours, unintentional selective disclosure, exemption and wavier to the disclosure of inside information, and compliance and reporting procedures. Senior management must take all reasonable measures to ensure that proper safeguards exist to prevent a breach of any disclosure requirement from time to time, and must promptly bring any possible leakage or divulgence of inside information to the attention of the Company Secretary, or his delegates, who will notify the Board timely and accordingly for taking the appropriate action promptly. For any material violation of this policy, the Board will decide, or designate appropriate persons to decide the course of actions for rectifying the problem and avoiding recurrence. The Group is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

AUDITOR'S REMUNERATION

During the year ended 31 March 2021, external auditor's remuneration for annual audit services was approximately HK$0.5 million; and external auditor's remuneration for non-audit service assignments was approximately HK$0.13 million, which represented review the Group's interim result. The Audit Committee concludes that it is satisfied with the findings of its review of the audit and non-audit services fees, process and effectiveness, independence and objectivity.

COMPANY SECRETARY

Mr. Wong Chi Chui ("**Mr. Wong**"), was appointed as the Company Secretary on 11 May 2017. The biographical details of Mr. Wong are set out under the section headed "Biographies of the Directors and Senior Management" of this annual report. In accordance with Rule 3.29 of the Listing Rules, Mr. Wong has taken no less than 15 hours of relevant professional training during the financial year ended 31 March 2021.

SHAREHOLDERS' RIGHTS

How shareholder can convene an extraordinary general meeting

The following procedures for shareholders to convene an extraordinary general meeting ("**EGM**") are subject to the Articles (as amended from time to time), and the applicable legislation and regulation, in particular the Listing Rules (as amended from time to time):

- Pursuant to article 64 of the Articles, any one or more shareholders holding at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company (the "**Eligible Shareholder(s)**") carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition;

- The written requisition must state the purposes of the meeting, signed by the Eligible Shareholder(s) and deposit it to the Board or the Company Secretary at the Company's principal place of business at Offices F&G, Floor 23, Maxgrand Plaza No.3 Tai Yau Street, San Po Kong, Kowloon, Hong Kong, and such may consist of several documents in like form, each signed by one or more requisitions;

- The requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding, the reason(s) to convene an EGM and the details of the business (es) proposed to be transacted in the EGM, and must be signed by the Eligible Shareholder(s) concerned together with a deposit of a sum of money reasonable sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by the shareholders concerned in accordance with the statutory requirements to all the registered shareholders;

- The requisition will be verified with Hong Kong branch share registrar and transfer office of the Company and upon their confirmation that the requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the Articles to all the registered shareholders. On the contrary, if the requisition has been verified as not in order or the shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM; and

- If within 21 days of such deposit, the Board fails to proceed to convene such meeting the Eligible Shareholder(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Eligible Shareholder(s) as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) by the Company.

Procedure by which enquires may be put to the Board

Shareholders may at any time send their enquiries to the Board for the attention of the Company Secretary in writing by mail to the Company's principal place of business in Hong Kong at Office F&G, Floor 23, Maxgrand Plaza, No.3 Tai Yau Street, San Po Kong, Kowloon, Hong Kong.

Procedure for putting forward proposals at shareholders' meeting

There are no provisions in the Articles or the Companies Law of the Cayman Islands for shareholders to put forward new resolutions at general meetings. Shareholders who wish to put forward a new resolution may request the Company to convene a general meeting in accordance with the procedures set out in the above paragraph heading "How shareholder can convene an extraordinary general meeting".

INVESTOR RELATIONS

Communication with shareholders

The Board recognises the importance of good communication with all shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations.

The Company has established several communication channels, including (a) the annual and extraordinary general meetings which provide a forum for shareholders to communicate directly with the Board; (b) printed corporate documents mailing to shareholders; (c) announcement disseminating the latest activities of the Group on the web-sites of the Company and the Stock Exchange; and (d) the Company's web-site providing an electronic means of communication.

Constitutional documents

There was no change to the Company's constitutional documents during the year ended 31 March 2021. An up-to-date version of the Company's Articles is available on the websites of the Company and the Stock Exchange.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The Company is delighted to publish the third Environmental, Social and Governance Report (the "**Report**") to summarise the Group's policies, measures and performance on the key environmental, social and governance ("**ESG**") issues.

Reporting Period

This Report illustrates the overall performance of the Group regarding the environmental and social aspects from 1 April 2020 to 31 March 2021 (the "**reporting period**" or "**2020/2021**").

Reporting Scope and Boundary

This Report discloses related policies and initiatives for the core and material business, namely provision of superstructure building and RMAA works service in Hong Kong. There is no significant change in the scope and boundaries of this Report from that of the ESG report for the year ended 31 March 2020 ("**2019/2020**").

This Report discloses environmental key performance indicators ("**KPIs**") and selected social KPIs of the corporate office ("**office**") and the representative projects ("**projects**" or "**sites of operation**"). While this Report does not cover all of the Group's operations, the aim of the Group is to upgrade its internal data collection procedure and gradually expand the scope of the disclosure.

Reporting Basis and Principle

This Report is prepared in accordance with the "Environmental, Social and Governance Reporting Guide" (the "**ESG Guide**") as set out in Appendix 27 of the Listing Rules and on the basis of the four reporting principles – materiality, quantitative, balance and consistency:

- "Materiality" Principle:

  The Group determines material ESG issues by stakeholder engagement and materiality assessment. Details are explained in the section headed "Materiality Assessment".

- "Quantitative" Principle:

  Information is presented with quantitative measure, whenever feasible, including information on the standards, methodologies, assumptions used and provision of comparative data.

- "Balance" Principle:

  This Report identifies the achievements and challenges faced by the Group.

- "Consistency" Principle:

  Methodologies adopted for preparing this Report are consistent with last year, unless otherwise stated.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This Report has complied with all "comply or explain" provisions and reported on selected recommended disclosures outlined in the ESG Guide.

The information contained herein is sourced from internal documents and statistics of the Group, as well as the combined control, management and operations information provided by the subsidiaries in accordance with the Group's internal management systems. A complete content index is appended to the last section hereof for quick reference. This Report is prepared and published in both English and Chinese. In the event of contradiction or inconsistency between the English version and the Chinese version, the English version shall prevail.

INTRODUCTION

The Group is committed to integrating ESG factors into its operations in order to create sustainable value for stakeholders and take up the responsibilities as a corporate citizen. To minimise the ESG risks embedded in the business operations, the Group maintains stringent internal control and risk management systems. We have implemented an integrated management system (IMS). The IMS comprises three international management system standards – ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System. This integrated system allows us to monitor and manage ESG-related risks in an organised manner. In order to establish our IMS across operations, the Group is required to develop a set of guidelines and all departments are held responsible for compliance. The system is regularly audited by both internal and external parties and the results are reviewed by the Group's senior management to monitor performance and compliance.

As we continue our sustainability journey, performance indicators and targets that are material to our business will be progressively added, providing even more insights in our future reports. We will continue to strengthen our engagement with key stakeholders and improve our sustainability efforts and practices, to forge a long-term sustainable business.

ESG GOVERNANCE STRUCTURE

The Board supports the Group's commitment to fulfilling its environmental and social responsibility and has overall responsibility for the Group's ESG strategy and reporting. The Board is responsible for evaluating and determining the Group's ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place.

The Board has delegated the day-to-day responsibility of the implementation to the ESG Working Group (the "**Working Group**"). The Working Group is composed of senior management and core members from different departments of the Group and is responsible to facilitate the adoption of ESG strategies and policies throughout the Group. The Working Group reports to the Board on the implementation of ESG initiatives and the corresponding performance.

The Board regularly reviews the Group's ESG performance, and examines and approves the Group's annual ESG report.

STAKEHOLDER ENGAGEMENT

Stakeholders' opinions are the solid foundation for the Group's sustainable development and success. The stakeholder engagement helps the Group to develop a business strategy that meets the needs and expectations of stakeholders, enhances the ability to identify risk and strengthens important relationships. The Group communicates with its stakeholders through various channels, shown as below.

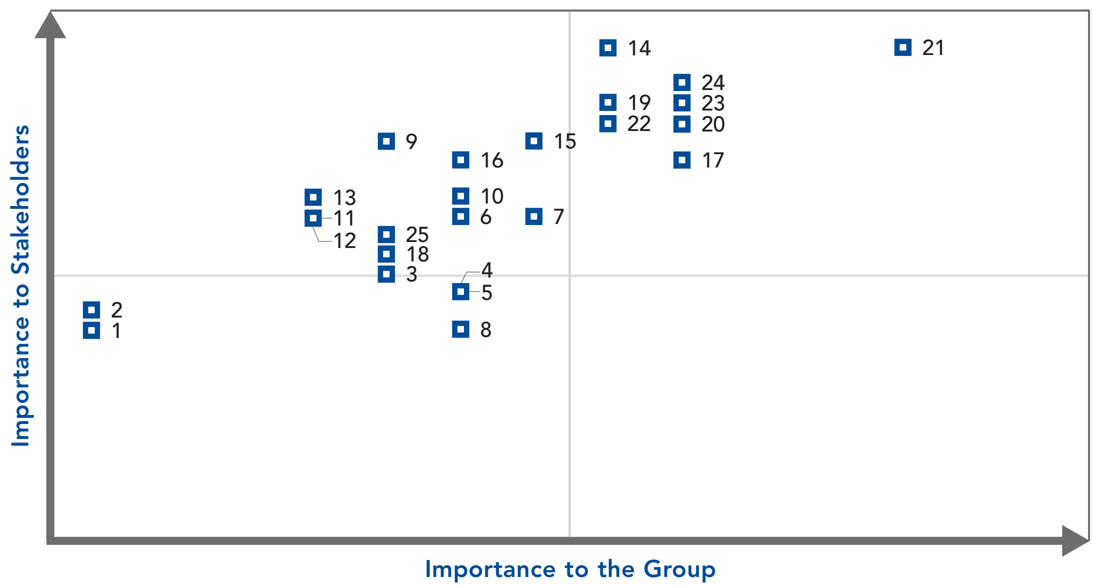
Stakeholder	Communication Channel
Government and regulatory agencies	• Annual reports, interim reports, ESG reports and other public information • Supervision and inspection
Shareholders and investors	• Annual general meetings and other general meetings of shareholders • Company website • Press releases/announcements • Annual reports, interim reports, ESG reports and other public information
Employee	• Training • Meetings • Performance evaluation • Survey
Customer	• Fax, email and telephone • Customers satisfaction survey
Suppliers/Subcontractors/ Business Partners	• Meetings • Site visit • Survey
Community	• ESG Reports

MATERIALITY ASSESSMENT

The Group identifies issues for disclosure in the Report through internal and external materiality assessment. Some issues are updated to better align with the ESG Guide. By considering the dependence and influence on the Group of the stakeholders and the resources available for the Group, the management has identified key stakeholders and surveyed with them. They have expressed their opinions and recommendations on the sustainability issues related to the Group's operation via a survey.

Consolidating the results of internal assessment and the survey, the Group has compiled the materiality matrix (refer to the diagram below). The issues that fall within the top right-hand quadrant have relatively higher significance to both stakeholders and Group's business. The Group will continue to improve its reporting process based on the assessment.

Materiality Matrix



1	Business ethics/anticorruption	10	Protection of customer privacy and corporate data	19	Diversity and equal opportunities
2	Socioeconomic compliance	11	Waste management	20	Greenhouse gas emissions
3	Occupational health and safety	12	Employee retention	21	Intellectual property rights
4	Project and/or service quality	13	Water efficiency	22	Environmental compliance
5	Employee rights protection	14	Development and training	23	Marketing and labelling
6	Prohibition of child labour and forced labour	15	Responsible supplier management	24	Climate change
		16	Energy efficiency	25	Community investment
7	Environmental impact mitigation	17	Anti-discrimination		
8	Material consumption	18	Air emissions		
9	Customer health and safety				

SUBJECT AREA A: ENVIRONMENTAL

Overview

The Group endeavours to minimise any adverse impact on the environment resulting from its business activities. The Group had implemented an environmental management system which was certified to be in compliance with the standard required under ISO 14001:2015. Apart from following the environmental protection policies formulated and required by customers, the Group has also established Environmental Policy to ensure proper management of environmental protection and compliance of environmental laws and regulations by both our employees and workers of the subcontractors on, among others, air pollution, noise control and waste disposal.

Emissions

The Group's sites of operation are subject to certain environmental requirements pursuant to the laws and regulations in Hong Kong such as Air Pollution Control Ordinance, Noise Control Ordinance, Water Pollution Control Ordinance, Waste Disposal Ordinance and Public Health and Municipal Services Ordinance. A breach of these ordinances can give rise to civil and/or criminal liability including fine and imprisonment. The Group ensures its compliance with relevant laws and regulations through measures described in the following sections. During the reporting period, the Group was not aware of any non-compliance case in this regard.

Air Pollutant Emissions

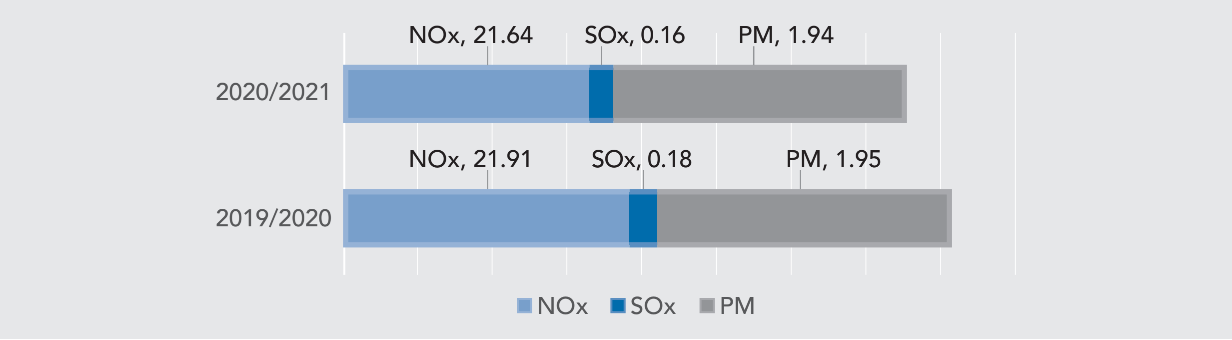
As the Group's operations mainly focus on providing superstructure building and RMAA works service to customers, there are no significant emissions from stationary sources and dust in the sites of operation.

The air pollutants are mainly emitted from the fuel consumption of mobile vehicles, including sulphur oxides (SOx), nitrogen oxides (NOx) and particulate matter (PM). To control the emissions from vehicles, all vehicles are under frequent and regular checks and maintenance to ensure no energy inefficiency occurs and idling engine is prohibited.

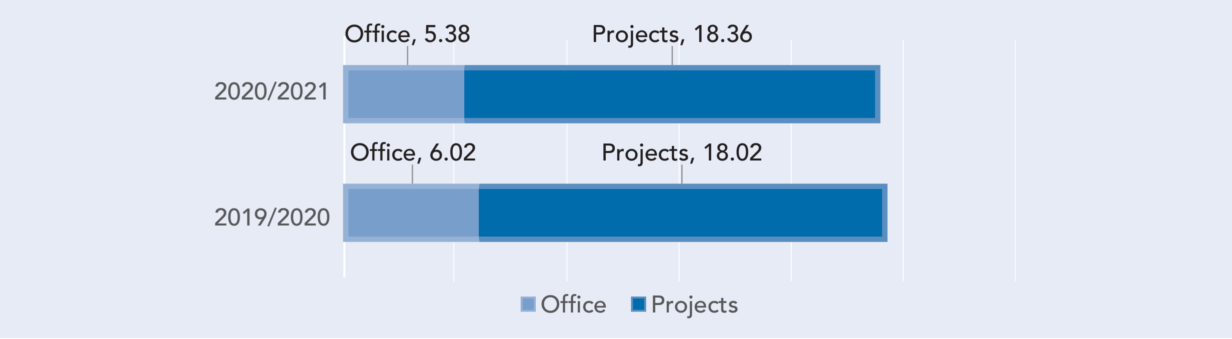
The air pollutant emissions recorded a slight decrease in 2020/2021, as compared to last year. It was attributable to the decrease in diesel and petrol consumption of mobile vehicles. Going forward, the Group will continue to monitor and record air pollutant emissions, enhance related data collection system and develop targets and reduction plans when appropriate.

Air Pollutant Emissions[1]	2020/2021 kg	2019/2020 kg
Nitrogen oxides (NOx)		
– Office	**4.91**	5.50
– Projects	**16.73**	16.41
	21.64	21.91
Sulphur oxides (SOx)		
– Office	**0.11**	0.12
– Projects	**0.05**	0.06
	0.16	0.18
Particulate matter (PM)		
– Office	**0.36**	0.40
– Projects	**1.58**	1.55
	1.94	1.95

Air Pollutant Emission By Types in kg



Air Pollutant Emission By Sources in kg



1 Air pollutant emissions are estimated based on "How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange of Hong Kong. Data includes emissions incurred by mobile vehicles only.

Greenhouse Gas (GHG) Emissions

In response to the community's gradual concern on greenhouse gas ("**GHG**") emissions, climate changes and other related issues, the Group has begun to monitor and report the GHG emissions annually through ESG report.

The total GHG emissions and its intensity were 322.70 tonnes CO_2-equivalent (tonnes CO_2-e) and 1.53 tonnes CO_2-e per million HK$ revenue respectively in 2020/2021, which increased by 112% and 1.83% respectively, as compared to last year. The increase in total GHG emissions were attributable to the significant increase in electricity consumption in projects in 2020/2021, as the job nature of projects in 2020/2021 required more electricity used by machines on sites compared to last year.

GHG Emissions[2]	**2020/2021 tonnes CO_2 equivalent**	2019/2020 tonnes CO_2 equivalent
Scope 1[3]		
– Office	**19.88**	22.31
– Projects	**32.69**	12.18
Scope 1 Total	**52.57**	34.49
Scope 2[4]		
– Office	**16.72**	21.48
– Projects	**253.41**	96.00
Scope 2 Total	**270.13**	117.48
Total	**322.70**	151.97
Intensity (per million HK$ revenue)	**1.53**	0.54

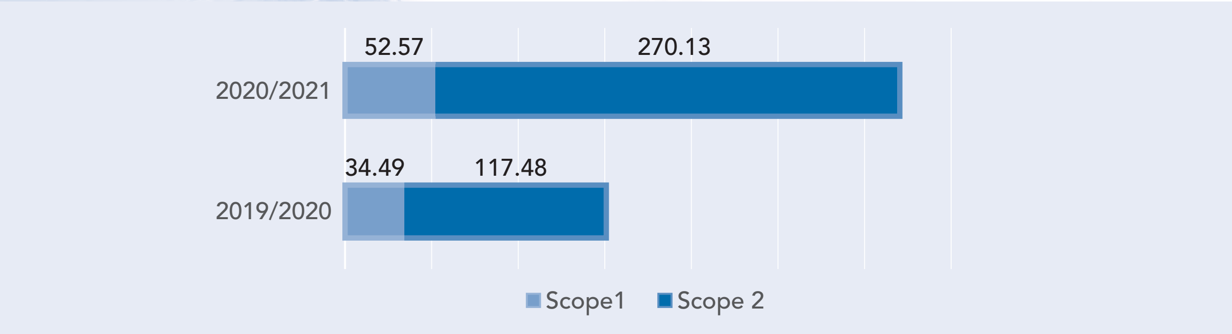
In 2020/2021, the Group's GHG inventory principally comprise of scope 1 and 2 emissions, similar to last year. Scope 2 emissions account for 84% of the total GHG emissions.

2 The data is estimated based on "How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.

3 Scope 1: The direct emission from the business operations owned or controlled by the Group, including the emission from the Group's fossil fuel combustion.

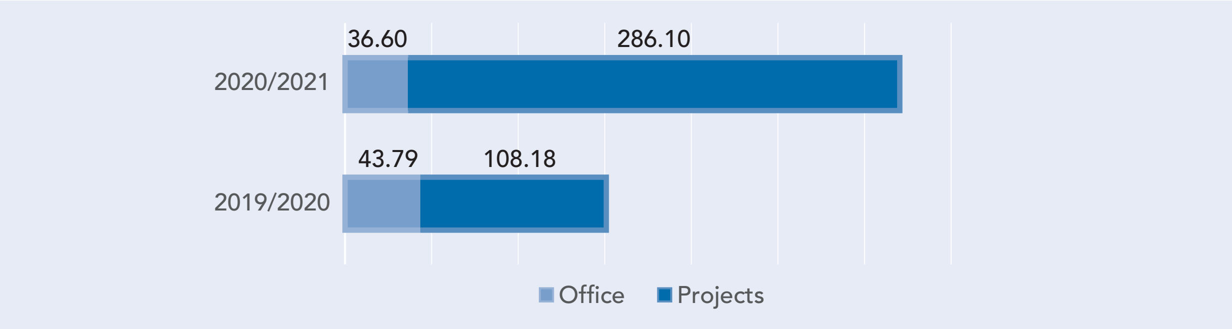
4 Scope 2: The "indirect energy" emissions from the internal purchased electricity consumption by the Group.

GHG Emission By Scopes in CO_2-e



Considering the source of GHG emissions, emissions from the projects account for 89% of the total GHG emissions in 2020/2021.

GHG Emission By Sources in CO_2-e



Going forward, the Group will continue to monitor and record GHG emissions, enhance related data collection system and develop targets and reduction plans when appropriate.

Hazardous or Non-hazardous Wastes Management

The Group acknowledges possible environmental impacts of waste generated during the course of its operations such as site clearance, excavation works, and construction and fitting out works. The Group strives to mitigate environmental impacts by adopting the right waste management strategy, prioritising avoidance and minimisation of waste generation, reuse of materials, recovery and recycling. Measures are implemented in the sites of operations, such as placing recycling bins to collect recyclable wastes as well as recycling and reusing construction materials when applicable. The Group was not aware of a significant amount of hazardous wastes generated in the sites of operation and the office.

The wastes production was 766 tonnes and its intensity was 3.63 tonnes per million HK$ revenue respectively in 2020/2021, recorded a decrease of 66% and 55%, as compared to last year.

Going forward, the Group will continue refining its wastes reduction measures and disclose relevant results where appropriate.

Waste	**2020/2021** **tonnes**	2019/2020 tonnes
Total	**766**	2,266
Intensity (per million HK$ revenue)	**3.63**	8.01

Effluents

As the sites of operation involve generation of construction runoff and sewage, the Group takes appropriate measures to avoid contamination and blockage of public drains and sewers. The wastewater treatment system is established to remove suspended solids contained in concrete washings and site runoff. In addition, water consumption is minimised through utilising site runoff for dust suppression. In 2020/2021, there was 2,234 cubic meters of sewage generated by estimation.

Use of Resources

The major use of resources of the Group includes energy, water and other construction material. Resource-saving is recognised as one of the key considerations in operations as stated in the Environmental Policy.

Energy

Energy consumption is controlled through administrative measures, such as switching off electrical appliance during non-business hours.

In 2020/2021, the types of energy used by the Group comprise of diesel, petrol and electricity, similar to last year. The energy consumption was 606.71 megawatt-hours (MWh), recorded an increase of 103%, as compared to last year. The increase in the total energy consumption was attributable to the significant increase in both direct (i.e. diesel consumption) and indirect energy consumption (i.e. electricity) for projects. The increase of diesel consumption and energy consumption by machines were affected due to difference of job nature of projects held by the Group in 2020/2021 and 2019/2020. The energy consumption intensity was 2.88 MWh per million HK$ revenue, recorded an increase of 174%, as compared to last year.

Going forward, the Group will continue to monitor and record energy consumption, enhance related data collection system and develop targets and reduction plans when appropriate.

Energy Consumption	**2020/2021 MWh**	2019/2020 MWh
Direct Energy Consumption[5]		
– Office	**68.84**	81.29
– Projects (Petrol and Diesel)	**124.77**	46.90
	193.61	128.19
Indirect Energy Consumption[6]		
– Office	**45.18**	42.11
– Projects	**367.92**	128.04
	413.10	170.15
Total Energy Consumption	**606.71**	298.34
Intensity (per million HK$ revenue)	**2.88**	1.05

5 It includes the energy consumption from the fossil fuel consumption, including diesel and petrol.
6 It includes the energy consumption from the purchased electricity of the Group.

Water

The water resource is also realised as a precious resource. In order to reduce the use of freshwater, the Group encourages the reuse and recycling of water in sites of operation, for example, the sewage is reused for dust suppression. The Group does not consume other natural water resources such as surface water or underground water. Water was supplied by third parties, therefore, there was no issue in sourcing water.

In 2020/2021, the total water consumption and its intensity were 2,979 cubic meters and 14.14 cubic meters per million HK$ revenue respectively, representing decreases of 47% and 29% compared with last year, projects that had high water demand were completed in the previous year. Going forward, the Group will continue to monitor and record energy consumption, enhance related data collection system and develop targets and reduction plans when appropriate.

Water Consumption[7]	**2020/2021 cubic meters**	2019/2020 cubic meters
Total water consumption	**2,979**	5,625
Intensity (per million HK$ revenue)	**14.14**	19.87

Packaging Material

As the Group's operations mainly focus on providing superstructure building and RMAA works service, no packaging material consumption can be identified during the reporting period.

7 It includes the water consumption in the sites of operation only.

The Environment and Natural Resources

As established in its Environmental Policy and Integrated Management System (IMS) Policy, the Group strives to mitigate the impact of its operations on environmental and natural resources. The Group's operation does make an impact on water, air and land, and therefore on the ecosystem. Therefore, the Group implements a range of measures for environmental protection and sustainable development, complies with applicable environmental-related laws and regulations and strives to operate in a responsible manner which balances the need for operation with minimising its environmental impact.

The Group continuously introduces measures to source control and end treatment with the purpose of fulfilling targets for reducing, reusing, recycling and renewing raw materials, reducing emissions and waste, improving the utilisation efficiency of water and energy resources, and minimising the effect of the operation on the environment and natural resources. The details of measures are illustrated in the sections headed "Emission" and "Use of Resources".

Moving forward, the Group also endeavours to meet the requirements of certain industry's codes of practice such as the BEAM Plus New Buildings issued by the Hong Kong Green Building Council and the BEAM Society.

SUBJECT AREA B: SOCIAL

Employment and Labour Practices

Employment

The Group believes that employees are the most important asset of the company. As the business grows, the Group must establish sustainable human capital to attract and retain talents. The Group strictly abides by the Employment Ordinance, Employments' Compensation Ordinance, Minimum Wage Ordinance, Construction Workers Registration Ordinance and Mandatory Provident Fund Schemes Ordinance. A breach of these ordinances can give rise to civil and/or criminal liability including fine and imprisonment. Employees can report any suspected violations of laws and regulations related to employment and labour practices through an email address which was established to handle complaints and potential non-compliance cases. It can only be accessed by top management and board members. During the reporting period, the Group was not aware of any non-compliance case in this regard. The Group has established Human Resources Management Policy and other related guidelines, which set out the details on remuneration, dismissal, recruitment, promotion, working hours, rest periods, diversity, equal opportunities and anti-discrimination.

Remuneration and dismissal

To attract and retain talents, the Group provides a competitive remuneration package to employees includes salary, bonuses and other cash subsidies. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of employees, which forms the basis of decisions with respect to salary raises, bonuses and promotions. For voluntary resignation, an exit interview is conducted with the resigned employee so the Group would understand the reason and continue to improve the human resource management.

Recruitment and promotion

The Group recruits talent in a fair, impartial and open manner, with reference to factors such as employees' experience, qualifications and expertise required for the business operations. The Group endeavours to use its best effort to attract and retain appropriate and suitable personnel to serve the Group. The Group assesses the available human resources on a continuous basis and will determine whether additional personnel are required to cope with the business development of the Group.

The Group recognises the importance of development and growth of employees. The promotion of employee based on the performance appraisals. On a regular basis, performance appraisal is conducted between the management of employees, evaluating employees' performance regarding work attitude, technical skills, interpersonal skills etc.

Working hours and rest periods

The Group is dedicated to providing reasonable working hours and rest periods to employees. All employees are entitled to General Holidays as announced in the Hong Kong SAR Government Gazette each year. In addition to General Holidays, employees are entitled to annual leave, maternity leave, sick leave and compassionate leave.

Diversity, Equal Opportunities and Anti-discrimination

The Group is committed to ensuring that the work environment it provides is free from harassment, discrimination and any behaviour that damage to productivity. The management of each department is responsible for formulating and implementing the Group's working environment policy, which contains the standards in this regard.

Employee benefits and welfare

According to the applicable laws and regulations in Hong Kong, the Group provide various benefits and welfare to the employees. The Group participates in the defined contribution scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance which is available to its employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are made based on a percentage of employees' basic salaries. The Group's employer contributions vest fully with the employees when contributed to the MPF Scheme. The Group also provides medical insurance, compensation insurance and monetary awards, such as discretionary bonus, to employees.

Workforce As at 31 March[8]	**2020/2021**	2019/2020
By Gender		
– Male	**48**	46
– Female	**18**	16
By Age Group		
– Below 30	**9**	7
– 30-50	**24**	22
– 50 or above	**33**	33
By Employment Type		
– Full Time	**66**	62
– Part Time	**0**	0
By Geographical Region		
– Hong Kong	**66**	62
Total	**66**	62

Employee Turnover Rate[9]	**2020/2021** **%**	2019/2020 %
By Gender		
– Male	**17**	13
– Female	**17**	6
By Age Group		
– Below 30	**33**	0
– 30-50	**17**	5
– 50 or above	**12**	18
By Geographical Region		
– Hong Kong	**17**	11
Overall	**17**	11

8 It includes employees of the Group only. Workers of the subcontractors are excluded.
9 Employee turnover rate = (Total number of employees left during the reporting period / Total number employees at the end of the reporting period) * 100%.

Health and Safety

Due to the nature of works in the construction industry, workers at the sites are prone to safety hazards. The Group has stated in its Safety and Health Policy Statement its commitment to creating a health and safety working environment for its employees and subcontractors. The Group has adopted an occupational health and safety management system in accordance with the requirement of ISO 45001:2018 accreditation and has in place various policies and procedures to maintain health and safety in the workplace.

Safety Organisation

The Group has established a Company Safety Management Committee and Site Safety Committee with clearly defined responsibilities. The former is responsible for developing, reviewing and revising the Group's Safety and Health Policy and regularly monitoring the proper implementation of a safety management system. The latter provides and improves the safety at work on-site and shall able to participate in the making and monitoring of arrangements for safety at the workplace.

Health and Safety Measures

In order to provide a safe and healthy working environment for employees and subcontractors and to ensure compliance with the applicable laws and regulations in Hong Kong, a safety plan is implemented at the commencement and during the implementation period of each project and conduct hazard analysis. The safety officer conducts site visits regularly to ensure the workers have taken all necessary safety precaution measures. Some key measures are implemented in the sites of operations as follows:

- All new workers receive required personal protective equipment.
- All new workers must attend introduction training prior to works commencement.
- Contractors with the best safety performance are nominated monthly.
- Safety Notice will be posted on the conspicuous place and safety promotion luncheon is organised on a regular basis to strengthen the safety awareness of employees and workers.
- The Safety Model Worker Award Scheme has been established to raise the safety awareness of employees.
- A fire drill is organised for dry seasons.

Monitoring System

Regular meetings are held for directors, safety officer and site supervisors to share the latest information and good practices with respect to safety. In the event of the occurrence of incidents and near misses, prompt corrections will be taken by following the emergency preparedness and response procedure. Follow-up investigation will be carried out to find out the root causes of the case(s) and prevent reoccurrence of the similar case(s). Apart from routine safety inspections, regular safety walks by senior management and Occupational Health and Safety (OHS) audits are conducted on all constructions sites to verify the sufficiency and effectiveness of safety control measures.

Safety Training

The Group recognises safety training as one of the important elements in preventing workplace injuries. Therefore, the Group will identify the safety training needs of workers and employees, and safety training courses will be provided by external training bodies (such as the Construction Industry Council) to workers and employees. Training course including but not limited to:

Course Category	Description	Audience
Safety Management Course	Improve safety management technique	Senior project manager and site agent
Risk Assessment Course	Provide the assessor with techniques of risk assessment to assist the preparing safe systems of work and good safety practices	Risk assessment team members
Safety Supervisor Course	Improve their safety supervision and accident prevention technique	Front line supervisory staff (e.g. Site agent, foreman etc.)
Basic Safety Training Course	Enrich the basic safety knowledge of workers	All workers
Safety Induction Course	Introduce the site condition and safety arrangement of the company	All new employees
Trade Training	Focus on relevant hazards of different works such as site formation and metal works, to provide safety knowledge to the workers when working in high-risk activities	All workers
Toolbox Talk	Educate employees on risks and precautions relating to their roles in the sites of operations	All workers

Response to COVID-19 Pandemic

The challenges arising from the COVID-19 pandemic are unprecedented. To reduce the risk of infection and the spread of the virus in the workplace, we have adopted the following measures:

– Implemented special work arrangement, departments can exercise flexibility in making "working from home" and/or roster arrangements

– Purchased insurance with additional coverage for our employees

– Ensured sufficient stocks of disinfecting and cleaning supplies and surgical masks

The Group strictly abides by the applicable laws and regulations in Hong Kong relating to providing a safe working environment and protecting employees from occupational hazardous, including but not limited to Occupational Safety and Health Ordinance, Factories and Industrial Undertakings Ordinance, and follows the Codes of Practice and Guidance Notes published by the Labour Department and relevant guidelines published by the Construction Industry Council. A breach of these ordinances can give rise to civil and/or criminal liability including fine and imprisonment.

During the reporting period, the Group experienced certain non-compliance incidents relating to certain regulations under the Construction Sites (Safety) Regulations and Occupational Safety and Health Ordinance. In response to these incidents, our safety department has increased the frequency of inspection and prepared safety inspection report accordingly in order to enhance site workers' safety awareness and reduce the frequency of occurrence of such incidents.

The Group will continue to review the existing occupational health and safety management system and elevate the safety awareness of the employees and subcontractors. Our safety performance is as follows:

Safety Performance	**2020/2021**	2019/2020
Total number of working hours (man-hours)	**426,110**	1,058,812
Fatality		
• Number of fatalities	**0**	0
• Fatality rate per 100,000 man-hours[10]	**0.00**	0.00
Lost Days		
• Number of working days lost due to injuries[11]	**0**	306
• Lost day rate per 100,000 man-hours[12]	**0.00**	28.90
Accident Rate		
• Number of accident (reportable cases)	**0**	4
• Accident rate per 100,000 man-hours[13]	**0.00**	0.38

Development and Training

The Group respects the people-oriented principle and regards the employee as the utmost important asset. Attaching importance to cultivating and developing talents are the drivers for the continuous improvement of the Group and the key to the success of its future business.

The Group provides various types of training to employees and sponsors them to attend various training courses, including those on occupational health and safety in relation to the construction work. Such training courses include internal training as well as courses organised by external parties such as the Construction Industry Council and the Occupational Safety and Health Council.

10 Fatality rate per 100,000 man-hours = (Total number of fatalities / Total number of working hours worked during the reporting period) *100,000.

11 It refers to the number of working days lost as a result of accidents that occurred during the reporting period.

12 Lost day rate per 100,000 man-hours = (Total number of labour days lost / Total number of working hours worked during the reporting period) *100,000.

13 Accident rate per 100,000 man-hours = (Total number of injuries / estimated total working hours during the reporting period) *100,000.

Training highlights in the reporting period

During the reporting period, the Group had 14% of the total number of employees received training and they received 220 hours of training. The percentage of employees receiving training for the year ended 31 March are as follows:

Percentage of employees receiving training[14]	**2020/2021**	2019/2020
	%	%
By Gender		
– Male	**17**	7
– Female	**6**	13
By Employment Category		
– Senior Management or above	**29**	29
– Middle Management (i.e. manager)	**20**	16
– Lower Management	**18**	–
– General Staff	**–**	–
Overall	**14**	8

14 Percentage of employees receiving training = (Total number of employees receiving training during the reporting period / the total number of employees at the end of the reporting period) *100%.

The corresponding average training hours[15] per employee for the year ended 31 March are as follows:

Average training hours	2020/2021 hours/employee	2019/2020 hours/employee
By Gender		
– Male	**4.09**	0.65
– Female	**1.33**	1.25
By Employment Category		
– Senior Management or above	**7.46**	2.86
– Middle Management (i.e. manager)	**4.80**	1.58
– Lower Management	**4.24**	–
– General Staff	**–**	–
Overall	**3.34**	0.81

Labour Standards

The Group prohibits the employment of child labour, forced labour and illegal labour as stipulated in its Employee Handbook. The Group considers the risk for incidents of child or forced labour in terms of our business activities and operating locations are not significant.

The Group has implemented the following measures to prevent having child labour or illegal immigrants from being on-site and to prevent illegal workers from taking employment on site:

1. Human resources and administrative officers inspect and take a copy of the original of his/her Hong Kong identity card and/or other documentary evidence showing that he/she is lawfully employable in Hong Kong.

2. The subcontracting agreement contains a clause whereby subcontractors are required to hire only persons who are lawfully employable to work on-site and to prevent any illegal worker to enter the site.

3. Foremen are responsible for inspecting the personal identification document of each worker and shall refuse any person who does not possess proper personal identification documents from entering the site.

The Group strictly abides the Employment Ordinance and section 38A of the Immigration Ordinance. A breach of these ordinances can give rise to civil and/or criminal liability including fine and imprisonment. During the reporting period, the Group was not aware of any non-compliance case relating to child labour, forced labour and illegal immigrant labour.

15 Average training hours = Total training hours during the reporting period / Total number of employees at the end of the reporting period.

Operating Practices

Supply Chain Management

The Group is committed to building lasting and constructive relationships with partners in its supply chain. The suppliers of goods and services to the Group mainly include:

(i) subcontractors

(ii) suppliers of construction materials such as concrete and reinforcement steel

(iii) machinery and equipment rental service providers

In 2020/2021, the Group has a total of 187 (2019/2020: 182) suppliers and subcontractors and all of them are located in Hong Kong.

Procurement practices

As stated in the Code of Conduct, it is necessary to be objective, fair and ethical when purchasing materials or services. Procurement decisions should be made according to price, quality, delivery capacity, service reputation and integrity, etc.

The Group's Material Supplier/Subcontractor Management Policy outlines our general procurement procedure for material suppliers and subcontractors. To manage the environmental and social risks of our supply chain, we conduct assessments on our suppliers and subcontractors based on their environmental and social performance. The details of the practices are as follows.

The Group maintains an approved list of material suppliers or subcontractors, which are selected based on their experience, qualifications, quality of work, reputation in the industry, capability, price competitiveness, credit-worthiness and their safety and environmental records. Furthermore, in some projects, certain works which required specific skill sets including curtain wall installation, lifts and escalators installation and electrical and mechanical works, required to be carried out by the subcontractors nominated by customers.

The approved list will be reviewed and updated from time to time according to the performance of suppliers and subcontractors. To evaluate the performance of suppliers and subcontractors, we conduct suppliers and subcontractor performance evaluation based on a list of criteria. If the supplier or subcontractor is considered as unqualified based on the evaluation, it will be removed from the approved list.

Subcontractors management

In order to closely monitor the performance of the subcontractors and to ensure that the subcontractors comply with the contractual requirements and the relevant laws and regulations, the Group requires subcontractors to follow its internal control measures in relation to quality control, safety and environmental compliance.

During project implementation, the project team regularly meets with subcontractors and closely monitors their performance and work progress as well as their compliance with the Group's safety measures and quality standards.

For further information regarding the Group's measures in relation to quality control, safety and environmental compliance of subcontractors, please refer to the sections headed "Product Responsibility", "Health and Safety" and "SUBJECT AREA A: ENVIRONMENTAL".

In addition, depending on agreements with subcontractors, the Group may hold up a certain percentage of each interim payment made to our subcontractors as retention money, such that if the subcontractors fail to deliver the works or rectify any defects in a timely manner, any expenses or losses induced can be deducted from the retention money held from our subcontractors.

Product Responsibility

The Group has established Quality Policy and various internal control procedures, showing the Group's commitment regarding safety and quality management of its projects and services and protection of customer's privacy.

Quality Management

Quality management is the key to maintain the safety of our projects. To maintain consistent quality and safety of services for customers, the Group has established a formal quality management system which is certified to be in compliance with the requirements of ISO 9001:2015. The Group has in-house quality assurance requirements that conform to the ISO 9001:2015 quality standards specifying, among other things, specific work procedures for performing different types of the site works, management process, responsibilities of personnel of different levels, tendering process, cost control, project planning, project management and supervision, quality inspection procedures and standards, subcontracting requirements and accident reporting and complaints. Workers and subcontractors are required to follow such procedures.

Quality control of projects
The Group's quality management system is contained in its project quality plan which sets out the steps to be carried out throughout the building works process from pre-construction stage to the maintenance stage.

To ensure that the works meet the required standard,

1. A full-time foreman is assigned at each of the construction sites as the first line of monitoring the quality of works done by the Group's own staff or subcontractors.

2. Project manager visits the construction sites to monitor the work quality, the progress of work and ensures that works are completed according to schedule.

3. The Group's Executive Directors, who closely monitor the progress of each project, communicate with the project management teams closely and discuss issues identified, to ensure the building works:

   - meet customers' requirements

   - are completed within the time stipulated in the contract and the budget allocated for the project

   - comply with all relevant codes and regulations applicable to the works

Quality control of materials
The quality of purchased materials is closely monitored. To ensure the quality of supplies, prior to ordering, quantity surveyors will ensure that the materials are sourced from approved suppliers to ensure the overall quality of supplies.

Upon the arrival of the ordered materials, all materials are sent directly to the relevant work sites for inspection by foremen before utilisation. During the inspection, the designated personnel will check (i) whether the quantity is correct; and (ii) whether there are any observable defects. Any defective materials or materials that fall short of the product specifications would be returned to the suppliers for replacement. Customers would also inspect the materials used by us at project sites and verify the specifications from time to time.

Customer satisfaction

The Group is committed to providing efficient and cordial services, always ensuring satisfactory customer satisfaction. We provide customers with clear and authentic information including price, business capabilities and product characteristics. There is no misstatement or exaggeration for our product and services.

As stipulated in the IMS manual, the Group monitors the quality performance of projects based on the customers' feedback. The Group is committed to understanding the views and opinions towards product and services through close communication with customers and proper maintenance of the related records. We collect customers' feedbacks through a customer satisfaction survey. The feedbacks serve as a valuable reference for our future improvements.

Intellectual Property Protection

The Group's business does not involve research and development. Nonetheless, our Code of Conduct stated explicitly that new ideas and intellectual property rights, including trademarks, service marks, copyrights, special rights and trade secrets, are all valuable assets of the Group and must be protected. All employees are responsible for protecting the intellectual property rights of the Group and others. Employees are required to inform the management immediately if any cases of infringement of the intellectual property of the Group. Copying of any part of third-party software is prohibited unless it is an authorised copy, or its license explicitly permits copying. Downloading and installation of unauthorised software are not allowed.

Advertising and Labelling

The Group does not involve in product packaging and labelling activities. Besides, the Group does not rely heavily on marketing and advertising. The Group is not aware of any significant impact relating to advertising and labelling on its operations.

Customer Data Protection and Privacy

The Group attaches great importance to the confidential information of the customers. The Group strives to protect the privacy of its customers, business partners and staff in the collection, processing and use of their business or personal data. The Group's Code of Conduct provides guidance on the handling of confidential information.

The Group strictly follows the laws and regulations relating to product responsibility, such as the Personal Data (Privacy) Ordinance. A breach of these ordinances can give rise to civil and/or criminal liability including fine and imprisonment. During the reporting period, the Group was not aware of any non-compliance case in this regard.

Anti-corruption

Honesty, integrity and fair competition are the core values that all employees of the Group have to defend. The Group's Code of Conduct sets out the employee's conducts in dealing with problems related to acceptance of advantages and conflicts of interest.

Other than the internal anti-bribery and corruption guidelines as stipulated in the Code of Conduct, the Group has in place a whistleblowing policy as a communication channel for employees to report concerns relating to the ethical business or personal conduct, accounting and financial matters, integrity and professionalism, or allegations of retaliation for having reported matters in good faith. Employees are welcomed to send his/her concerns via email anonymously. The Group has also implemented appropriate and effective internal controls at different business processes to prevent and detect fraudulent activities.

The Group strictly abides by the laws and regulations relating to bribery, extortion, fraud and money laundering in Hong Kong, including the Prevention of Bribery Ordinance and Anti-Money Laundering and Counter-Terrorist Financing Ordinance. A breach of these ordinances can give rise to civil and/or criminal liability including fine and imprisonment. During the reporting period, the Group was not aware of any non-compliance case or related corruption litigation case in this regard.

Community

Community Investment

The Group is committed to maintaining the sustainability of its business and its communities. The Group's Community Investment Policy establishes a framework and guidelines for community investment, sponsorship and donation activities, and is expected to contribute to community wellness.

The Group aims to develop long-term relations with stakeholders based on mutual trust, respect and integrity. The Group also seeks to make contributions to programs which have a positive impact on community development. Employees are encouraged to volunteer, and work through collaboration with strategic giving as well as capacity-building initiatives to try and create a positive impact in the community.

During the reporting period, the Group focused on the contribution in the area of education and donated HK$14,000. Beneficiary organisations include as follows.

- Twinklestars, which is an organisation that aims at providing financial support to the needed students for their tertiary education in Mainland China.

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Note 1: All general disclosure under each aspect and KPIs in the "Environmental" subject area are the "comply or explain" provisions while others are recommended disclosure set out in the ESG Guide.

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TO THE BOARD OF DIRECTORS OF GOLDEN PONDER HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

TO THE SHAREHOLDERS OF GOLDEN PONDER HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Golden Ponder Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 82 to 137, which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Revenue recognition of construction contracts

Refer to notes 5(b) and 7 to the consolidated financial statements.

The Group's revenue from construction contracts amounted to approximately HK$210,660,000 for the year ended 31 March 2021, and the carrying amount of contract assets of the Group amounted to approximately HK$84,597,000 as at 31 March 2021.

The Group recognised revenue from a construction contract by reference to the progress towards complete satisfaction of performance obligation at the end of the reporting period, measured using the input method. Most of the Group's construction contracts with customers take more than one year to complete and the scope of work of a contract may change during the construction period. Management estimates the revenue and budgeted costs at the commencement of construction contracts and regularly assesses the progress of construction works as well as the financial impact of any scope changes, claims, disputes and liquidation damages.

We identified the revenue recognition of construction contracts as a key audit matter as management's estimate of revenue, budgeted costs and the stage of completion of construction works requires significant judgement and has a significant impact on the amount and timing of revenue recognised.

Our response:

- Obtaining an understanding of the Group's controls and processes over revenue recognition of construction contracts and contract budget preparation;

- Discussing with management and the contract managers of the Group who are responsible for the preparation of budgets of construction contracts to evaluate the reasonableness of their bases of estimation of the budget revenue and costs as well as the progress towards completion of the contracts;

- Checking supporting documents including contracts, variation orders and correspondences with customers, subcontractors and suppliers, in order to evaluate reasonableness of management's estimation of the budgeted revenue and budgeted contract costs;

- Assessing management's estimates of the impact on revenue and budgeted costs arising from scope changes made to the construction contracts, claims, disputes and liquidated damages with reference to supporting documents including variation orders and correspondence among the Group, independent surveyors, customers, subcontractors and suppliers;

- Recalculating the revenue recognised based on estimate of the progress of the construction contracts; and

- On a sample basis, agreeing the contract costs incurred to date on construction contracts to the subcontractors' payment certificates and supplier invoices.

Impairment of trade receivables and contract assets

Refer to notes 5(a), 17 and 19 to the consolidated financial statements.

As at 31 March 2021, trade receivables and contract assets of the Group amounted to approximately HK$10,126,000 and approximately HK$84,597,000 respectively, representing 4% and 36% of the Group's total assets, respectively.

Management estimates expected credit loss ("ECL") of trade receivables and contract assets based on the historical default rates, past-due status and financial capability of individual debtors and forward-looking macroeconomic factors.

We identified the impairment of trade receivables and contract assets as a key audit matter due to the significance of the carrying amounts of trade receivables and contract assets to the consolidated financial statements, as well as the significant judgement involved in developing and implementing the ECL model and high level of estimation uncertainty.

Our response:

- Understanding management's process of assessing recoverability of trade receivables and contract assets;

- Assessing the appropriateness of management's ECL model and challenging assumptions and data used in estimating ECL, including testing the accuracy of the historical data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and assessing whether there was an indication of management bias when recognising loss allowances; and

- Discussing with the Group's project managers about their evaluation of impact of disputes with customers and unforeseen delay of construction contracts, if any, on the recoverability of trade receivables and contract assets and checking to those relevant correspondences and documents to assess reasonableness of their evaluation.

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

DIRECTORS' RESPONSIBILITIES 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 also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, 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.

BDO Limited
Certified Public Accountants
Tang Tak Wah
Practising Certificate Number P06262

Hong Kong
23 June 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
Revenue	7	**210,660**	283,148
Cost of services		**(207,513)**	(263,062)
Gross profit		**3,147**	20,086
Other income, gains and losses	8	**3,403**	1,755
Reversal/(provision) of loss allowance of trade receivables and contract assets, net	29(a)	**38**	(3,000)
Administrative and other expenses		**(20,622)**	(19,627)
Finance costs	9	**(30)**	(149)
Loss before income tax credit/(expense)	10	**(14,064)**	(935)
Income tax credit/(expense)	11	**1,750**	(1,116)
Loss and total comprehensive expense for the year attributable to owners of the Company		**(12,314)**	(2,051)
		HK cents	HK cents
Loss per share, attributable to owners of the Company			
– Basic and diluted	14	**(1.54)**	(0.26)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
Non-current assets			
Property, plant and equipment	*15*	**1,294**	1,661
Right-of-use assets	*16*	**483**	1,641
Deposits	*18*	**17,899**	9,304
Deferred tax assets	*22*	**1,725**	–
		21,401	12,606
Current assets			
Trade receivables	*17*	**10,126**	44,584
Deposits, prepayments and other receivables	*18*	**27,644**	40,795
Contract assets	*19*	**84,597**	75,247
Tax recoverable		**1,425**	2,729
Cash and cash equivalents		**88,960**	108,991
		212,752	272,346
Current liabilities			
Trade and retention money payables	*20*	**52,117**	84,377
Accruals and other payables		**13,557**	10,523
Contract liabilities	*19*	**–**	30
Lease liabilities	*21*	**522**	1,230
		66,196	96,160
Net current assets		**146,556**	176,186
Total assets less current liabilities		**167,957**	188,792
Non-current liabilities			
Lease liabilities	*21*	**–**	521
NET ASSETS		**167,957**	188,271
Capital and reserves			
Share capital	*24*	**8,000**	8,000
Reserves		**159,957**	180,271
TOTAL EQUITY		**167,957**	188,271

On behalf of the Board of Directors

Chan Kam Tong
Director

Chan Kam Ming
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2021

	Attributable to owners of the Company				
	Share capital	**Share premium**	**Capital reserve**	**Retained earnings**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	(note 24)	*(note 24)*	*(note 24)*	*(note 24)*	
At 1 April 2019	8,000	88,035	15,500	78,787	190,322
Loss and total comprehensive expense for the year	–	–	–	(2,051)	(2,051)
At 31 March 2020 and 1 April 2020	8,000	88,035	15,500	76,736	188,271
Dividend paid *(note 13)*	–	–	–	(8,000)	(8,000)
Loss and total comprehensive expense for the year	–	–	–	(12,314)	(12,314)
At 31 March 2021	**8,000**	**88,035**	**15,500**	**56,422**	**167,957**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
Cash flows from operating activities			
Loss before income tax credit/(expense)		**(14,064)**	(935)
Adjustments for:			
Depreciation of property, plant and equipment	*10*	**531**	511
Depreciation of right-of-use assets	*10*	**1,158**	1,233
Write-off of property, plant and equipment	*10*	**22**	4
Loss allowance of trade receivables, net	*10*	**(56)**	2,849
Loss allowance of contract assets, net	*10*	**18**	151
Bank interest income	*8*	**(675)**	(1,488)
Finance costs	*9*	**30**	149
Bad debt	*8*	**550**	–
Rent concessions	*8*	**(157)**	–
Operating (loss)/profit before working capital changes		**(12,643)**	2,474
Decrease in trade receivables		**33,964**	15,864
Decrease/(increase) in deposits, prepayments and other receivables		**4,556**	(12,336)
(Increase)/decrease in contract assets		**(9,368)**	44,680
Decrease in restricted bank deposit		**–**	12,030
Decrease in trade and retention money payables		**(32,260)**	(8,911)
Increase in accruals and other payables		**3,034**	1,068
Decrease in contract liabilities		**(30)**	(4,905)
Cash (used in)/generated from operations		**(12,747)**	49,964
Income tax recovery/(paid)		**1,329**	(4,382)
Net cash (used in)/generated from operating activities		**(11,418)**	45,582
Cash flows from investing activities			
Purchase of property, plant and equipment		**(186)**	(242)
Interest received		**675**	1,488
Net cash generated from investing activities		**489**	1,246

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
Cash flows from financing activities			
Interest paid	*28*	**(30)**	(149)
Repayments of lease liabilities	*28*	**(1,072)**	(1,068)
Dividend paid	*13*	**(8,000)**	–
Net cash used in financing activities		**(9,102)**	(1,217)
Net (decrease)/increase in cash and cash equivalents		**(20,031)**	45,611
Cash and cash equivalents at beginning of the year		**108,991**	63,380
Cash and cash equivalents at end of the year		**88,960**	108,991

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands. The address of its registered office is located at 71 Fort Street, P.O. Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands and its principal place of business is located at Offices F and G, Floor 23, Maxgrand Plaza, No. 3 Tai Yau Street, San Po Kong, Kowloon, Hong Kong.

The shares of the Company are listed on the Main Board of the Stock Exchange.

The immediate and ultimate holding company is Shiny Golden Limited, a company incorporated in the British Virgin Islands.

The Company is an investment holding company and the principal activities of its subsidiaries are set out in note 25.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective 1 April 2020

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform
Amendments to HKFRS 16	COVID-19-Related Rent Concessions

These new or amended HKFRSs has no material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period except for the amendments to HKFRS 16 "COVID-19-Related Rent Concessions". Impact on the applications of these amended HKFRSs are summarised below.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

(a) Adoption of new/revised HKFRSs – effective 1 April 2020 (Continued)

Amendments to HKFRS 16 "COVID-19 – Related Rent Concessions" ("Amendments to HKFRS 16")

Effective 1 June 2020, HKFRS 16 "Leases" ("**HKFRS 16**") was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

(a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) The reduction in lease payments affects only payments originally due on or before 30 June 2021; and

(c) There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in HKFRS 16 in accounting for the concession.

The Group has applied the practical expedient for all rent concessions that meet the criteria. In accordance with the transitional provisions, the Group has applied the amendment retrospectively, and has not restated prior period figure. As the rent concessions have arisen during the current financial period, there is no retrospective adjustment to opening balance of retained earnings at 1 April 2020 on initial application of the amendment.

Accounting for the rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs. The effect of applying the practical expedient is disclosed in note 8 to the consolidated financial statements.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

(b) New/revised HKFRSs that have been issued but are not yet effective

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[5 & 7]
Amendments to HKAS 1	Disclosure of Accounting Policies[5]
Amendments to HKAS 8	Definition of Accounting Estimates[5]
Amendments to HKAS 16	Proceeds before Intended Use[3]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[3]
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[1]
HKFRS 17	Insurance Contracts[5]
Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41	Annual Improvements to HKFRSs 2018-2020[3]
Amendments to HKFRS 3	Reference to the Conceptual Framework[4]
Amendments to HKFRS 3, HKAS 16 and HKAS 37	Narrow-scope amendments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[6]
Amendments to HKFRS 16	COVID-19 – Related Rent Concessions beyond 30 June 2021[2]

1 Effective for annual periods beginning on or after 1 January 2021
2 Effective for annual periods beginning on or after 1 April 2021
3 Effective for annual periods beginning on or after 1 January 2022
4 Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022
5 Effective for annual periods beginning on or after 1 January 2023
6 The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.
7 As a consequence of the amendments to HKAS 1, Interpretation 5 "Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause" was revised in October 2020 to align the corresponding wording with no change in conclusion.

The Directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the consolidated financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations (hereinafter collectively referred to as the "**HKFRS**") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules.

(b) Basic of measurement

The consolidated financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong Dollars ("**HK$**"), which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries ("**the Group**"). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised loss are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or loss are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Business combination and basis of consolidation (Continued)

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- Substantive potential voting rights held by the Company and other parties who hold voting rights;
- Other contractual arrangements; and
- Historic patterns in voting attendance.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Subsidiaries (Continued)

In the Company's statement of financial position, investment in a subsidiary is stated at cost less any impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. The cost of property, plant and equipment includes its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value under reducing balance method or straight-line method. The annual depreciation rate and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The principal annual depreciation rates are as follows:

Furniture and equipment	10% on the reducing balance method
Motor vehicles	20% on the reducing balance method
Leasehold improvement	Straight-line basis over the lease terms

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the terms of the relevant leases.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Leasing

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment loss, and adjusted for any remeasurement of lease liability.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable: (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the substance fixed lease payments or a change in assessment to purchase the underlying asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Leasing (Continued)

Lease liability (Continued)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

(e) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("**FVTPL**"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets with embedded derivatives are considered in their entirely when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and loss and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (Continued)

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("**ECL**") on trade receivables, contract assets and other financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date: and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit loss. Credit loss are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group measures loss allowances for trade receivables and contract assets that do not contain a significant financing component using HKFRS 9 simplified approach and calculates ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

The Group considers a financial asset to be credit-impaired when: (1) 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 (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and retention money payables, accruals and other payables and lease liabilities are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or loss are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (Continued)

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including assets similar in nature to cash, which are not restricted as to use.

(g) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue recognition (Continued)

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Provision of contract services

The Group provides construction of superstructure building and RMAA works services to customer. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced and the payment is generally due within 30 days from the date of invoice. Revenue is recognised from a construction contract by reference to the progress towards complete satisfaction of performance obligation at the end of the reporting period, measured using the input method based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue recognition (Continued)

Other income

Interest income is recognised using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract asset is recognised when (i) the Group completes the infrastructure construction works under such services contracts but yet certified by architects, surveyors or other representatives appointed by customers, or (ii) the customers retain retention money to secure the due performance of the contracts. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the considerations (including advances received from customers) exceeds the revenue recognised to date under the input method then the Group recognises a contract liability for the difference.

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.

Contract cost

The Group recognises an asset from the incremental costs of obtaining a contract with a customer or the costs incurred to fulfil a contract with a customer which are not capitalised as inventory, property, plant and equipment or intangible assets.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue recognition (Continued)

Contract cost (Continued)

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to an anticipated contract that the entity can specifically identify; generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract. Other costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relate. The asset is subject to impairment review. Impairment loss are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

(h) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Income taxes (Continued)

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

(i) Foreign currency transactions

Transactions entered into by the Group in currencies other than the currency of the primary economic environment in which it operates (the "**functional currency**") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and loss are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

(j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service.

(ii) Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(iii) Termination benefits

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Government grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable and are recognised as other revenue, rather than reducing the related expense.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

(l) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group assesses whether there is any indication that items of property, plant and equipment, right-of-use assets and investments in a subsidiary have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset, 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Provision and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

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, the existence of which 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.

(n) Related parties

(a) 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 key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

(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 the employees of the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions apply: (Continued)

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

(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 Company'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 and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statement of the Group requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(a) Expected credit loss on trade for receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the Group's historical observed default rates. The provision matrix is initially based on days past due for groupings of various customer segments that have similar loss patterns. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. If forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in a particular sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate.

The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 29(a) to the consolidated financial statements.

(b) Measurement of value of construction works

The Group uses input method to measure the progress toward satisfaction of the performance obligations, and specifically, the proportion of actual construction costs incurred relative to the estimated total costs. Actual construction costs incurred include direct and indirect costs in the process of transferring goods from the Group to customers. The Group believes that contract price is based on construction costs. Therefore, the proportion of actual construction costs incurred relative to the total expected costs can reflect the progress toward satisfaction of construction service. Since the duration of construction is relatively long that it may cover more than one accounting period, the Group will review contract, revise budget and adjust revenue accordingly as the contract carries forward.

6. SEGMENT INFORMATION

Operating segments

During the reporting period, the Group was principally engaged in the provision of superstructure building and RMAA works service, as a main contractor, in Hong Kong. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole, as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

During the reporting period, the Group's revenue was derived from Hong Kong, based on the location of the customers, and all of its non-current assets were located in Hong Kong, based on the location of assets. Therefore, no geographical information is presented.

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the reporting period is as follows:

	2021 HK$'000	2020 HK$'000
Customer A	**105,431**	77,531
Customer B	**68,728**	N/A*
Customer C	**N/A***	112,635
Customer D	**N/A***	79,633

*	Revenue from relevant customer was less than 10% of the Group's total revenue for the reporting period.

7. REVENUE

An analysis of the Group's revenue from contracts with customers recognised during the reporting period is as follows:

	2021 HK$'000	2020 HK$'000
Hong Kong		
Superstructure building works	**210,198**	260,453
RMAA works	**462**	22,695
	210,660	283,148
Timing of revenue recognition		
Over time	**210,660**	283,148

The Group's revenue represents amount received and receivable from construction contract work performed and is recognised over time in accordance with the accounting policy set out in note 4(g) above for the year ended 31 March 2021 and 2020.

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

	2021 HK$'000	2020 HK$'000
Trade receivables *(note 17)*	**10,126**	44,584
Contract assets *(note 19 (a))*	**84,597**	75,247
Contract liabilities *(note 19 (b))*	**–**	30

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on revenue related to the provisions of superstructure building and RMAA works service. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group provides the invoice to the customers.

7. REVENUE (CONTINUED)

The contract liabilities mainly relate to the advance consideration received from customers. Approximately HK$30,000 (2020: approximately HK$4,935,000) of the contract liabilities as at 31 March 2020 has been recognised as revenue for the year ended 31 March 2021 from performance obligations satisfied in previous year due to the changes in the estimate stage of completion of some construction works (note 19(b)).

As at 31 March 2021, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is approximately HK$748,718,000 (2020: approximately HK$105,458,000). This amount represents revenue expected to be recognised in the future from partially-completed long-term construction contracts. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur in the next one to two years.

The Group has applied the practical expedient to its contracts for construction services and therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for construction production that had an original expected duration of one year or less.

8. OTHER INCOME, GAINS AND LOSSES

An analysis of the Group's other income, gains and losses recognised during the reporting period is as follows:

	2021 **HK$'000**	2020 HK$'000
Bank interest income	**675**	1,488
Government grant *(note a)*	**3,143**	50
Rent concession *(note b)*	**157**	–
Sundry income	**–**	221
Bad debts	**(550)**	–
Write-off of property, plant and equipment	**(22)**	(4)
	3,403	1,755

Note (a): Government subsidies obtained is mainly relating to supporting the payroll of the Group's employees. The Group has elected to present the government subsidies separately, rather than reducing the related expense. The Group had to commit to spending the assistance on payroll expense, and not reduce employee head count below prescribed levels for a specified period of time.

Note (b): The Group has received a rent forgiveness from landlord due to the COVID-19 pandemic. As disclosed in note 2(a) to the consolidated financial statements, the Group has elected to apply the practical expedient introduced by the Amendments to HKFRS 16 and all of the rent concessions entered into during the year ended 31 March 2021 satisfied the criteria to apply this practical expedient.

9. FINANCE COSTS

	2021 HK$'000	2020 HK$'000
Interest expenses on lease liabilities	**30**	149

10. LOSS BEFORE INCOME TAX CREDIT/(EXPENSE)

Loss before income tax credit/(expense) is arrived at after charging/(crediting):

	2021 HK$'000	2020 HK$'000
Material costs (included in cost of services)	**15,269**	14,064
Auditor's remuneration	**500**	500
Depreciation of property, plant and equipment	**531**	511
Depreciation of right-of-use assets	**1,158**	1,233
Employee benefit expenses (including directors' remuneration *(note 12)*)		
– Wages and salaries	**28,987**	28,462
– Contributions to defined contribution retirement plans	**889**	921
– Others	**96**	158
	29,972	29,541
Machinery rental expenses	**5,345**	4,664
Professional fee	**3,052**	3,236
Short-term lease expenses	**480**	299
(Reversal)/provision of loss allowance		
– trade receivables	**(56)**	2,849
– contract assets	**18**	151
Write-off of property, plant and equipment	**22**	4

11. INCOME TAX CREDIT/(EXPENSE)

The Group is subject to income tax on profits arising in or derived from Hong Kong, being its principal place of business. The income tax credit/(expense) in the consolidated statement of comprehensive income during the reporting period represents:

	2021 **HK$'000**	2020 HK$'000
Current income tax – Hong Kong profits tax		
Charge to profit or loss	**–**	(1,430)
Over provision in prior years	**25**	314
	25	(1,116)
Deferred tax		
Recognition of unrecognised tax losses *(note 22)*	**1,725**	–
Total income tax credit/(expense) for the year	**1,750**	(1,116)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

11. INCOME TAX CREDIT/(EXPENSE) (CONTINUED)

The income tax credit/(expense) for the reporting period can be reconciled to the loss before income tax credit/(expense) per the consolidated statement of comprehensive income as follows:

	2021 HK$'000	2020 HK$'000
Loss before income tax credit/(expense)	(14,064)	(935)
Tax calculated at statutory tax rate of 16.5%	(2,320)	(154)
Tax effect of expenses not deductible for tax purpose	1,225	2,015
Tax effect of income not taxable for tax purpose	(630)	(246)
Tax relief enacted by the tax authority	–	(20)
Income tax at concessionary rate	–	(165)
Over provision in prior years	(25)	(314)
	(1,750)	1,116

12. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors' remuneration

Directors' remuneration for the reporting period, disclosed pursuant to the Listing Rules and the Hong Kong Companies Ordinance, is as follows:

Year ended 31 March 2021

	Fees HK$'000	Salaries and benefits HK$'000	Discretionary bonuses HK$'000	Contributions to defined contribution retirement plans HK$'000	Total HK$'000
Executive Directors					
Mr. Chan Kam Tong	–	1,370	101	18	1,489
Mr. Chan Kam Ming	–	1,370	101	18	1,489
Independent Non-Executive Directors					
Mr. Hau Wing Shing Vincent	180	–	–	–	180
Mr. Szeto Cheong Mark	180	–	–	–	180
Mr. Wan Simon	180	–	–	–	180
	540	2,740	202	36	3,518

12. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(a) Directors' remuneration (Continued)

Year ended 31 March 2020

	Fees HK$'000	Salaries and benefits HK$'000	Discretionary bonuses HK$'000	Contributions to defined contribution retirement plans HK$'000	Total HK$'000
Executive Directors					
Mr. Chan Kam Tong	–	898	–	18	916
Mr. Chan Kam Ming	–	898	–	18	916
Independent Non-Executive Directors					
Mr. Hau Wing Shing Vincent	180	–	–	–	180
Mr. Szeto Cheong Mark	180	–	–	–	180
Mr. Wan Simon	180	–	–	–	180
	540	1,796	–	36	2,372

(b) Five highest paid employees

The five highest paid employees whose emoluments were the highest in the Group for the year ended 31 March 2021 included 2 directors (2020: 1) and their emoluments is reflected in note 12(a). The emoluments of the remaining 3 highest paid employees (2020: 4) for the year ended 31 March 2021 are as follows:

	2021 HK$'000	2020 HK$'000
Salaries and benefits	**3,120**	4,164
Contributions to defined contribution retirement plans	**36**	48
	3,156	4,212

12. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(b) Five highest paid employees (Continued)

The number of non-directors, highest paid employees whose remuneration fell within the bands is as follows:

	2021 **No. of employee**	2020 No. of employee
Nil to HK$1,000,000	**–**	–
HK$1,000,001 to HK$1,500,000	**3**	4
	3	4

During the year ended 31 March 2021, no remuneration was paid by the Group to the directors or any of the five highest paid employees of the Group as an inducement to join, or upon joining the Group or as compensation for loss of office (2020: HK$ Nil). None of the directors, nor the five highest paid employees has waived or agreed to waive any emoluments during the year (2020: None).

13. DIVIDEND

During the year ended 31 March 2021, the Board of Directors does not declare any dividend to the shareholders of the Company.

The final dividend of HK1.0 cent per share for the year ended 31 March 2020 was declared and approved by the shareholders of the Company at the annual general meeting of the Company held on 18 August 2020, which was paid on 18 September 2020.

14. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Year ended 31 March	
	2021	2020
Loss per share		
Loss for the purposes of basic loss per share *(HK$'000)*	**12,314**	2,051
Number of share		
Weighted average number of ordinary shares for the purposes of basic loss per share	**800,000,000**	800,000,000

For the year ended 31 March 2021, the calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK$12,314,000 (2020: approximately HK$2,051,000) and the weighted average number of 800,000,000 (2020: 800,000,000) ordinary shares.

Diluted loss per share are same as the basic loss per share as there is no dilutive potential ordinary shares in existence during the years ended 31 March 2021 and 2020.

15. PROPERTY, PLANT AND EQUIPMENT

	Furniture and equipment HK$'000	Leasehold improvement HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost				
At 1 April 2019	869	1,122	239	2,230
Additions	15	–	227	242
Write-off	(4)	–	–	(4)
Transfer from right-of-use assets	–	–	260	260
At 1 April 2020	880	1,122	726	2,728
Additions	186	–	–	186
Write-off	(31)	–	–	(31)
At 31 March 2021	**1,035**	**1,122**	**726**	**2,883**
Accumulated depreciation				
At 1 April 2019	82	187	27	296
Provided for the year	79	374	58	511
Transfer from right-of-use assets	–	–	260	260
At 1 April 2020	161	561	345	1,067
Provided for the year	81	374	76	531
Write-off	(9)	–	–	(9)
At 31 March 2021	**233**	**935**	**421**	**1,589**
Net book value				
At 31 March 2021	**802**	**187**	**305**	**1,294**
At 31 March 2020	719	561	381	1,661

16. RIGHT-OF-USE ASSETS

	Other properties leased for own use carried at cost HK$'000 *(Note a)*	Motor vehicle HK$'000 *(Note b)*	Total HK$'000
Cost			
At 1 April 2019	2,789	260	3,049
Transfer to property, plant and equipment	–	(260)	(260)
At 31 March 2020 and 31 March 2021	2,789	–	2,789
Accumulated depreciation			
At 1 April 2019	–	175	175
Depreciation charge for the year	1,148	85	1,233
Transfer to property, plant and equipment	–	(260)	(260)
At 31 March 2020	1,148	–	1,148
Depreciation charge for the year	1,158	–	1,158
At 31 March 2021	**2,306**	**–**	**2,306**
Net carrying amounts			
At 31 March 2021	**483**	**–**	**483**
At 31 March 2020	1,641	–	1,641

Note (a): The Group has held the right-of-use of property as its office premise through tenancy agreement. The lease typically run an initial period of 3 years. The lease does not include any option to renew the lease for an additional period after the end of contract term.

Note (b): In respect of lease arrangement for renting motor vehicles, the Group has options to purchase motor vehicles for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such lease.

17. TRADE RECEIVABLES

	2021 HK$'000	2020 HK$'000
Trade receivables	10,294	47,433
Less: loss allowance	(168)	(2,849)
	10,126	44,584

Trade receivables were mainly derived from provision of building and civil engineering construction works service, and are non-interest bearing. The Group does not hold any collateral or other credit enhancements over these balances.

The Group grants an average credit period of 30 days to its trade customers of contract works. Application for progress payments of contract works is made on a regular basis. Further details of the movement of impairment losses and the Group's credit policy and credit risk arising from trade receivables are set out in note 29(a).

The following is an analysis of trade receivables (net of loss allowance) by age, presented based on the invoice dates:

	2021 HK$'000	2020 HK$'000
Less than one month	9,276	20,693
More than one month but less than three months	–	1,975
More than three months but less than one year	–	8,823
More than one year but less than two years	850	13,093
	10,126	44,584

18. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2021 HK$'000	2020 HK$'000
Non-current		
Deposits	**17,899**	9,304
Current		
Deposits	**10,346**	36,550
Prepayments	**16,782**	3,122
Other receivables	**516**	1,123
	27,644	40,795

Included in the Group's deposits as at 31 March 2021 were non-current deposits of HK$17,899,000 and current deposits of HK$8,942,000 (2020: HK$8,942,000 and HK$35,677,000), placed with an insurance company as security for issuance of non-interest bearing surety bonds for construction contracts.

The balances of other receivables are unsecured, interest-free and repayable on demand. The Group's other receivables were neither past due nor impaired as at 31 March 2021 and 2020.

19. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2021 HK$'000	2020 HK$'000
Contract assets arising from:		
Construction services	**84,766**	75,398
Less: loss allowance	**(169)**	(151)
	84,597	75,247

19. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(a) Contract assets (Continued)

Construction services

The Group's construction contracts 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. Additionally, the Group typically agrees one to three years retention period for 5% of the contract sum, which is kept in contract assets until the end of the retention period as the Group's entitlement to it is conditional on the Group's work satisfactorily passing inspection.

Movements in contract assets:

	2021 HK$'000	2020 HK$'000
Balance at beginning of the year	**75,398**	120,078
Decrease in contract assets as a result of transferring from contract assets to receivables	**(52,520)**	(94,071)
Increase in contract assets as a result of changing in measure of progress	**61,888**	49,391
Balance at end of the year	**84,766**	75,398

The expected timing of recovery or settlement for contract assets as at 31 March 2021 and 2020 is as follows:

	2021 HK$'000	2020 HK$'000
Within one year	**84,597**	75,247

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates for the measurement of the ECLs of the contract assets are with reference to those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are with reference to days past due of trade receivables appropriately grouped by similar loss pattern. The calculation reflects the probability weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions. Further details of the Group's credit risk policy and credit risk arising from contract assets are set out in note 29(a).

19. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(b) Contract liabilities

	2021 HK$'000	2020 HK$'000
Contract liabilities arising from:		
Construction services	–	30

Construction services

The contract liabilities mainly related to the advance consideration received from customers. Approximately HK$30,000 (2020: approximately HK$4,935,000) of the contract liabilities as at 31 March 2020 has been recognised as revenue for the year ended 31 March 2021 from performance obligations satisfied due to the changes in the estimated stage completion of some contract obligations.

Movements in contract liabilities:

	2021 HK$'000	2020 HK$'000
Balance at beginning of the year	30	4,935
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(30)	(4,935)
Increase in contract liabilities as a result of billing in advance of construction service	–	30
Balance at end of the year *(note 7)*	–	30

20. TRADE AND RETENTION MONEY PAYABLES

	2021 HK$'000	2020 HK$'000
Trade payables	**38,964**	60,520
Retention money payables *(note)*	**13,153**	23,857
	52,117	84,377

Note: Retention monies from sub-contractors of contract works are released by the Group after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts.

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice dates, is as follows:

	2021 HK$'000	2020 HK$'000
Less than one month	**24,662**	34,197
More than one month but less than three months	**7,536**	16,867
More than three months but less than one year	**4,768**	3,060
More than one year but less than two years	**1,998**	6,396
	38,964	60,520

21. LEASE LIABILITIES

	Other properties leased for own use carried at cost HK$'000	Motor vehicle HK$'000	Total HK$'000
At 1 April 2019	2,789	30	2,819
Interest expense	144	5	149
Lease payments	(1,182)	(35)	(1,217)
At 31 March 2020 and 1 April 2020	1,751	–	1,751
Interest expense	30	–	30
Rent concessions *(note 8(b))*	(157)	–	(157)
Lease payments	(1,102)	–	(1,102)
At 31 March 2021	522	–	522

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period:

	Minimum lease payments HK$'000	Interest HK$'000	Present value HK$'000
At 1 April 2021			
Not later than one year	525	3	522
Later than one year and not later than two years	–	–	–
	525	3	522
At 1 April 2020			
Not later than one year	1,260	30	1,230
Later than one year and not later than two years	525	4	521
	1,785	34	1,751

21. LEASE LIABILITIES (CONTINUED)

The present value of future lease payments are analysed as:

	2021 **HK$'000**	2020 HK$'000
Current liabilities	**522**	1,230
Non-current liabilities	**–**	521
	522	1,751

22. DEFERRED TAX ASSETS

The component of deferred tax assets recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Tax losses **HK$'000**
At 1 April 2019, 31 March 2020 and 1 April 2020	–
Credit to profit or loss	1,725
At 31 March 2021	1,725

Deferred tax assets are recognised for tax losses carried forward to the extent that utilisation of the related tax losses through the future taxable profits is probable. The tax losses can be utilised for offsetting future taxable profits of the Group.

23. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2021 HK$'000	2020 HK$'000
Non-current assets			
Investments in subsidiaries		**60,140**	60,139
Current assets			
Amount due from a subsidiary		**81,908**	65,411
Prepayments and other receivables		**241**	256
Cash and cash equivalents		**17,938**	32,036
		100,087	97,703
Current liabilities			
Accruals		**480**	505
Amount due to a subsidiary		**5,582**	5,582
		6,062	6,087
NET CURRENT ASSETS		**94,025**	91,616
NET ASSETS		**154,165**	151,755
Capital and reserves			
Share capital	*24*	**8,000**	8,000
Reserves	*24*	**146,165**	143,755
TOTAL EQUITY		**154,165**	151,755

On behalf of the Board of Directors

Chan Kam Tong	**Chan Kam Ming**
Director	*Director*

24. SHARE CAPITAL AND RESERVES

	Number of shares	Amount HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
As at 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	1,500,000,000	15,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
As at 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	800,000,000	8,000

Reserves

Details of movements of the Group's reserves are set out in the consolidated statement of changes in equity on page 84.

(i) Share premium

Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less the amount of expenses incurred in connection with the issue of the shares.

(ii) Capital reserve

Capital reserve represents the aggregate of the share capital of Head Fame and investment from pre-IPO investors.

(iii) Retained earnings

Retained earnings represent the cumulative profit or loss recognised.

24. SHARE CAPITAL AND RESERVES (CONTINUED)

Reserves (Continued)

(iii) Retained earnings (Continued)

Details of movements of the Company's reserves are set out below.

	Share premium HK$'000	Contributed surplus HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2019	88,035	60,139	(2,051)	146,123
Loss and total comprehensive expense for the year	–	–	(2,368)	(2,368)
At 31 March 2020 and 1 April 2020	88,035	60,139	(4,419)	143,755
Dividend paid *(note 13)*	–	–	(8,000)	(8,000)
Profit and total comprehensive income for the year	–	–	10,410	10,410
At 31 March 2021	**88,035**	**60,139**	**(2,009)**	**146,165**

25. DETAILS OF SUBSIDIARIES

As at the date of this report, the Company had direct or indirect interests in the subsidiaries as set out below.

Name of entity	Place and date of incorporation and form of business structure	Percentage of equity attributable to the Company		Issued and fully paid ordinary share capital	Principal activities and principal place of business
		Direct	*Indirect*		
Century Success Limited	BVI, 11 January 2017, limited liability company	100%	–	US$300 divided into 300 shares of US$1 each	Investment holding, Hong Kong
Head Fame Company Limited	Hong Kong, 23 August 1985, limited liability company	–	100%	HK$500,000 divided into 500,000 shares	Provision of superstructure building and RMAA works service as a main contractor, Hong Kong
Acquire Success Limited	BVI, 18 August 2020, limited liability company	100%	–	US$100 divided into 100 shares of US$1 each	Investment holding, Hong Kong
Acquire Success (Hong Kong) Limited	Hong Kong, 28 August 2020, limited liability company	–	100%	HK$100 divided into 100 shares	Inactive, Hong Kong

26. LEASE COMMITMENTS

Group as lessee

Future lease payments are recognized as lease liabilities in the consolidated statement of financial position except for short-term leases and low-value assets, in accordance with the policies set out in note 4(d), and the details regarding the Group's future lease payments are disclosed in note 21.

The commitments for minimum leases payments in relation to the leases that account for short-term lease are shown below.

The Group leases office premises which run for less than one year and simplified accounting is applied to short-term leases. The total future minimum lease payments payable by the Group under non-cancellable short-term leases are as follows:

	2021 **HK$'000**	2020 HK$'000
Within one year	**502**	70

27. RELATED PARTY TRANSACTIONS

Key management personnel remuneration represents emoluments paid to the directors of the Company as set out in note 12.

28. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of movements of liabilities arising from financing activities

	Lease liabilities *HK$'000*	Dividend payable *HK$'000*
At 1 April 2019	2,819	–
Change from financing cash flows:		
Interest paid	(149)	–
Repayments of lease liabilities	(1,068)	–
Total changes from financing cash flows	(1,217)	–
Other changes:		
Interest expenses on leases	149	–
At 31 March 2020 and 1 April 2020	1,751	–
Interest paid	(30)	–
Repayments of lease liabilities	(1,072)	–
Dividend paid	–	(8,000)
	(1,102)	(8,000)
Other changes:		
Interest expenses on leases	30	–
Rent concessions *(note 8(b))*	(157)	–
Dividend declared	–	8,000
At 31 March 2021	522	–

29. FINANCIAL RISK MANAGEMENT

The Group's principal financial assets are trade receivables, deposits and other receivables and cash and cash equivalents that derive directly from its operations. Principal financial liabilities of the Group include trade and retention money payables, accruals and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations.

The Group has not issued and does not hold any financial instruments for trading purposes at the end of each of the reporting period. The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders.

(a) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its business.

The Group continuously monitors defaults of customers and other counterparties, identifies either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group was exposed to the concentration of credit risk as at 31 March 2021 on trade receivables and contract assets. As at 31 March 2021, approximately 39% (2020: approximately 31%) and approximately 93% (2020: approximately 91%) of the total trade receivables and contract assets was due from the largest and top five largest debtors respectively. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in notes 17 and 19.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables and contract assets	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12-month ECL not credit-impaired
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount 2021 HK$'000	2020 HK$'000
Financial assets at amortised cost				
Trade receivables *(Note 17)*	Low risk	Lifetime ECL – not credit-impaired	**9,294**	20,734
	Doubtful	Lifetime ECL – not credit-impaired	**–**	9,524
	Loss	Lifetime ECL – credit-impaired	**1,000**	17,175
			10,294	47,433
Deposits and other receivables *(Note 18)*	Low risk	12-month ECL – not credit-impaired	**28,761**	46,977
Contract assets *(Note 19)*	Low risk	Lifetime ECL – not credit-impaired	**84,766**	75,398
Cash and cash equivalents	Low risk	12-month ECL – not credit-impaired	**88,960**	108,991

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Trade receivables and contract assets

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status or respective trade receivables. Estimated loss rates are based on historical observed default rates over the past five years and are adjusted for forward-looking information that is reasonable and supportable available without undue costs or effort. In addition, trade receivables and contract assets that has been a significant increase in credit risk, the management measures the credit-impaired debtors for ECL individually. In this regard, the Directors of the Company consider that the Group's credit risk is significantly increased.

During the year ended 31 March 2021, the Group provided impairment allowance for contract assets of approximately HK$18,000 and reversal of loss allowance for trade receivable of approximately HK$56,000 (2020: impairment allowance for trade receivables and contract assets of approximately HK$224,000 and approximately HK$151,000, respectively) based on the provision matrix. At 31 march 2020, impairment allowance of approximately HK$2,625,000 was made on trade receivables with credit-impaired debtors.

The Group writes off a trade receivable measured at amortised cost or an other receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. During the year ended 31 March 2021, a write-off of trade receivables with a gross carrying amount of approximately HK$2,625,000 resulted in a decrease in loss allowance of approximately HK$2,625,000.

Other receivables and deposits

The management of the Group regularly reviews and assesses the credit quality of the counterparties. The Group uses 12-month ECL to assess the loss allowance of other receivables and deposits since these receivables are not past due and there has not been a significant increase in credit risk since initial recognition. In this regard, the Directors of the Company consider that the Group's credit risk is not significant.

Bank balances

The credit risks on bank balances are limited because the counterparties are financial institutions with high credit ratings assigned by international credit-rating agencies.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

The following table shows the movement in ECL that has been recognised for financial assets measured at amortised cost.

	Trade receivables (Lifetime ECL– not credit impaired) HK$'000	Trade receivables (Lifetime ECL– credit impaired) HK$'000	Contract assets (Lifetime ECL – not credit impaired) HK$'000
At 1 April 2019	–	–	–
Impairment losses recognised	224	2,625	151
As at 31 March 2020	224	2,625	151
Amount written off during the year	–	(2,625)	–
Impairment losses (reversal)/recognized	(206)	150	18
As at 31 March 2021	18	150	169
Average loss rate			
At 31 March 2021	0.19%	15.00%	0.19%
At 31 March 2020	0.74%	15.28%	0.20%

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade and retention money payables, accruals and other payables and lease liabilities, and also in respect of its cash flow management.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major banks and financial institutions to meet its liquidity requirements in the short and longer terms. In the opinion of the directors of the Company, the Group was able to comply with all covenants of the banking facilities as at 31 March 2021 and 31 March 2020.

The liquidity policies have been followed by the Group throughout the reporting period and are considered to have been effective in managing liquidity risks.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates at the end of the reporting period.

	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within one year or on demand HK$'000
At 31 March 2021			
Trade and retention money payables	52,117	52,117	52,117
Accruals and other payables	13,557	13,557	13,557
Lease liabilities	522	525	525
	66,196	66,199	66,199

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within one year or on demand HK$'000	More than one year but less than two years HK$'000
At 31 March 2020				
Trade and retention money payables	84,377	84,377	84,377	–
Accruals and other payables	10,523	10,523	10,523	–
Lease liabilities	1,751	1,785	1,260	525
	96,651	96,685	96,160	525

(c) Interest rate risk

The Group has significant bank deposits with floating interest rate which are exposed to cash flow interest rate risk. During the year, the Group has not hedged its cash flow and fair value interest rate risks. The Directors consider the Group's exposure to cash flow interest rate risk on the bank deposits is insignificant as most deposits bear variable interest rates which have not significantly fluctuated in recent years.

Sensitivity analysis on bank deposits is not presented as the Director consider that the Group's exposure to interest rate fluctuations on bank deposits is insignificant.

30. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital and to support the Group's stability and growth. The Group actively and regularly reviews and manages its capital structure, taking into consideration the future capital requirements of the Group, to ensure optimal shareholder returns.

The Group monitors capital using a gearing ratio, which is net debts divided by total equity. Total debts represent the total balance of lease liabilities as shown in the consolidated statement of financial position. The Group aims to maintain the gearing ratio at a reasonable level.

	2021 **HK$'000**	2020 HK$'000
Lease liabilities	**522**	1,751
Less: cash and cash equivalents	**(88,960)**	(108,991)
Net cash	**(88,438)**	(107,240)
Total equity	**167,957**	188,271
Net debt to equity ratio	**N/A**	N/A

31. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of each of the categories of financial assets and financial liabilities as at the end of the reporting period are as follows:

	2021 HK$'000	2020 HK$'000
Financial assets measured at amortised cost		
Trade receivables	10,126	44,584
Deposits and other receivables	28,761	46,977
Cash and cash equivalents	88,960	108,991
	127,847	200,552
Financial liabilities measured at amortised cost		
Trade and retention money payables	52,117	84,377
Accruals and other payables	13,557	10,523
Lease liabilities	522	1,751
	66,196	96,651

32. LITIGATION

At the end of the reporting period, the Group was a defendant in a number of claims, lawsuits and potential claims relating to employee's compensation cases and personal injury claims. In the opinion of the directors, the possibility of any outflow of resources in settling these claims is remote and accordingly no provision for liabilities in respect of these litigations is necessary.

33. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the directors on 23 June 2021.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and total equity of the Group for the last five financial years, as extracted from the published annual report and audited financial statements, is set out below:

RESULTS

	Year ended 31 March				
	2021	2020	2019	2018	2017
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**210,660**	283,148	425,773	448,556	371,698
(Loss)/profit before income tax credit/(expense)	**(14,064)**	(935)	22,383	29,099	27,809
Income tax credit/(expense)	**1,750**	(1,116)	(5,559)	(5,775)	(5,334)
(Loss)/profit for the year	**(12,314)**	(2,051)	16,824	23,324	22,475
Attributable to:					
Owners of the Company	**(12,314)**	(2,051)	16,824	23,324	22,475
	(12,314)	(2,051)	16,824	23,324	22,475

ASSETS, LIABILITIES AND TOTAL EQUITY

	At 31 March				
	2021	2020	2019	2018	2017
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**234,153**	284,952	298,567	187,080	98,560
Total liabilities	**(66,196)**	(96,681)	(108,245)	(103,617)	(53,421)
NET ASSETS	**167,957**	188,271	190,322	83,463	45,139
Attributable to:					
Owners of the Company	**167,957**	188,271	190,322	83,463	45,139
TOTAL EQUITY	**167,957**	188,271	190,322	83,463	45,139

Note: The summary above does not form part of the audited consolidated financial statements.