



**GAIN PLUS HOLDINGS LIMITED**  
**德益控股有限公司**

(incorporated in the Cayman Islands with limited liability)

Stock code : 9900

**ANNUAL REPORT**  
**2023-24**

# Contents

02	Corporate Information
03	Chairman's Statement
04	Management Discussion and Analysis
08	Biographical Details of Directors and Senior Management
12	Corporate Governance Report
27	Report of the Directors
41	Independent Auditor's Report
45	Consolidated Statement of Profit or Loss and Other Comprehensive Income
46	Consolidated Statement of Financial Position
47	Consolidated Statement of Changes in Equity
48	Consolidated Statement of Cash Flows
50	Notes to the Consolidated Financial Statements
96	Financial Summary

# Corporate Information

## Board of Directors

### Executive Directors

Mr. Tsang Chiu Kwan (*Chairman and Chief Executive Officer*)  
Mr. Lau Ka Ho

### Independent Non-executive Directors

Mr. So Chun Man  
Mr. Chen Yeung Tak  
Mr. Wong Max Aaron (resigned on 6 October 2023)  
Mr. Lai Ming Ho (appointed on 6 October 2023)

## Authorised Representatives

Mr. Tsang Chiu Kwan  
Mr. Lau Ka Ho

## Company Secretary

Mr. Lau Ka Ho

## Audit Committee

Mr. Chen Yeung Tak (*Chairman*)  
Mr. So Chun Man  
Mr. Wong Max Aaron (resigned on 6 October 2023)  
Mr. Lai Ming Ho (appointed on 6 October 2023)

## Remuneration Committee

Mr. So Chun Man (*Chairman*)  
Mr. Chen Yeung Tak  
Mr. Lau Ka Ho

## Nomination Committee

Mr. Chen Yeung Tak (*Chairman*)  
Mr. So Chun Man  
Mr. Lau Ka Ho

## Auditor

Deloitte Touche Tohmatsu  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditors*  
35/F., One Pacific Place  
88 Queensway  
Hong Kong

## Principal Bankers

DBS Bank (Hong Kong) Limited  
11th Floor, the Center  
99 Queen's Road Central  
Hong Kong

Bank of China (Hong Kong) Limited  
Bank of China Tower  
1 Garden Road  
Hong Kong

## Registered Office

Windward 3, Regatta Office Park  
P.O. Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

## Headquarter and Principal Place of Business in Hong Kong

Unit 1323A, Level 13  
Landmark North  
39 Lung Sum Avenue  
Sheung Shui, the New Territories  
Hong Kong

## Cayman Islands Principal Share Registrar and Transfer Office

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park  
P.O. Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

## Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## Company Website

[www.gainplus.hk](http://www.gainplus.hk)

## Stock Code

9900

# Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the “**Board**”) of Gain Plus Holdings Limited (the “**Company**”), I am pleased to present the annual report of the Company and its subsidiaries (together referred to as the “**Group**”) for the year ended 31 March 2024 (“**Year**”).

## Business Review

The Group achieved a decrease in revenue from approximately HK\$1,210.1 million for the year ended 31 March 2023 to HK\$1,151.0 million for the Year. Such decrease mainly attributable to the decrease in revenue derived from RMAA Services due to decrease in value of work certified of certain projects.

The Group's profit attributable to the owners of the Company decrease from approximately HK\$56.8 million for the year ended 31 March 2023 to HK\$27.7 million for the Year, the decrease in profit attributable to shareholders was mainly due to decrease in revenue and the overall gross profit margin.

## Forward

Looking ahead, the Group is positive about the prospects of the construction market and will continue to focus on our core business.

## Appreciation

I wish to take this opportunity to extend my sincere thanks to our shareholders, business partners and customers for their ongoing support to the Group. At the same time, I would like to express my appreciation to my fellow directors, the Group's management team and staff members for their substantial contribution and unwavering dedication to the Group.

**Gain Plus Holdings Limited**

**Tsang Chiu Kwan**

*Chairman*

Hong Kong, 28 June 2024

# Management Discussion and Analysis

## Business Review and Outlook

The principal activities of Gain Plus Holdings Limited (the “**Company**”, together with its subsidiaries, “**Our Group**”) is investment holding.

Our Group is an established construction contractor in Hong Kong founded in 2004, principally engaged in subcontracting works providing repair, maintenance, addition and alteration services (“**RMAA Services**”) and building construction services. Our RMAA Services include general upkeep, restoration and improvement of existing facilities and components of buildings and their surroundings; and our building construction services primarily consist of building works and civil works for new buildings such as columbarium blocks, demolition of staff quarters, road enhancement works and lift tower.

Looking forward, the directors of the Company (the “**Directors**”) consider that the future opportunities and challenges which the Group face will be affected by uncertainty to construct industry due to the availability of construction projects from the public and private sectors in Hong Kong.

Our Group stays positive about the prospects of the construction market and will continue to focus on our core business.

## Financial Review

### Revenue

Our revenue decreased from approximately HK\$1,210.1 million for the year ended 31 March 2023 to approximately HK\$1,151.0 million for the Year. The decrease was mainly attributable to the decrease in revenue derived from the provision of RMAA Services due to decrease in value of work certified of certain projects.

### Cost of Services

Our cost of services decreased from approximately HK\$1,125.5 million for the year ended 31 March 2023 to approximately HK\$1,090.9 million for the Year. The decrease was in line with the decrease in revenue and mainly attributable to decrease in cost of services incurred by RMAA Services projects.

### Gross Profit

Our gross profit decreased from approximately HK\$84.7 million for the year ended 31 March 2023 to approximately HK\$60.1 million for the Year. Our gross profit margin decreased from approximately 7.0% for the year ended 31 March 2023 to approximately 5.2% for the Year. Such decrease was mainly due to the decrease in the gross profit margin of the projects performed during the year.

### Other Income, Other Gains and Losses

Our other income, other gains and losses increased from gains of approximately HK\$2.5 million for the year ended 31 March 2023 to gains of approximately HK\$8.8 million for the Year. The increase was mainly due to decrease in loss on financial assets at fair value through profit or loss (“**FVTPL**”) and increase in bank interest income.

### Administrative Expenses

Our Group’s administrative expenses increased from approximately HK\$23.0 million for the year ended 31 March 2023 to approximately HK\$29.9 million for the Year. The increase was mainly attributable to the increase in staff costs including Directors’ remuneration.

## Finance Costs

Our Group's finance costs increased from approximately HK\$14,000 for the year ended 31 March 2023 to approximately HK\$27,000 for the Year. The increase was mainly due to increase in interests expenses on lease liabilities.

## Income Tax Expenses

The income tax expenses was similar as compared to the year ended 31 March 2023. Our effective tax rate was approximately 14.5% for the Year, after excluding the non-taxable income of financial assets/liabilities at FVTPL of approximately HK\$0.4 million which was almost the same as per the effective tax rate of 15.7% for the year ended 31 March 2023 after excluding the non-deductible expenses of fair value change on financial assets/liabilities at FVTPL of approximately HK\$1.1 million.

## Profit for the year

Our Group's net profit attributable to the owners of the Company decreased from approximately HK\$56.8 million for the year ended 31 March 2023 to approximately HK\$27.7 million for the Year. The decrease in net profit after tax was mainly due to decrease in revenue and the overall gross profit margin.

## Dividend

The Board has declared a special dividend of HK\$0.135 per ordinary share of the Company for the year ended 31 March 2024 which was paid on 6 February 2024 to the shareholders of the Company.

The Directors do not recommend the payment of any final dividend for the year ended 31 March 2024.

## Liquidity and Financial Resources

The Group maintained a sound financial position during the Year. As at 31 March 2024, the Group had bank balances and cash of approximately HK\$125.1 million (2023: approximately HK\$187.9 million). The total interest-bearing lease liabilities of the Group as at 31 March 2024 was approximately HK\$0.3 million (2023: no), and the current ratio as at 31 March 2024 was approximately 4.2 (2023: approximately 4.5).

## Gearing Ratio

Gearing ratio of the Group was 0.1% for the year (2023: not available). The gearing ratio is calculated by dividing the total debt which represents lease liabilities and bank borrowings by total equity as at the end of the years multiplied by 100%.

## Capital Structure

There has been no change in the capital structure of the Company during the Year. The share capital of the Group only comprises of ordinary shares.

## Commitment

The operating lease commitment of the Group was related to the lease of its office, workshops and warehouses.

The capital commitment of the Group was capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the consolidated financial statements. As at 31 March 2024, the amount was nil (2023: HK\$0.6 million).





# Management Discussion and Analysis

## Segment Information

Segment information is disclosed in note 6 of the notes to the consolidated financial statements.

## Future Plans for Material Investments and Capital Assets

The Group did not have any plans for material investments and capital assets.

## Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the years ended 31 March 2024 and 2023, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

## Significant Investment

As at 31 March 2024 and 2023, the Group did not hold any significant investment.

## Contingent Liabilities

As at 31 March 2024 and 2023, the Group did not have material contingent liabilities.

## Exposure to Exchange Rate Fluctuation

The Group's revenue generating operations are mainly transacted in Hong Kong Dollars. The Directors consider that the impact of foreign exchange exposure to the Group is minimal.

## Charge of Group's Assets

After settlement of bank borrowings during the year 2023, none of financial assets at fair value through profit or loss had been pledged as at 31 March 2024.

## Employees and Remuneration Policies

As at 31 March 2024, the Group had a total of 225 employees (2023: 282 employees). The Group's gross staff costs for the year ended 31 March 2024 amounted to approximately HK\$62.0 million (2023: approximately HK\$55.8 million). To ensure that the Group is able to attract and retain Directors and staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance. The Group operates the Mandatory Provident Fund Scheme (the "**MPF Scheme**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees employed under the jurisdiction of Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the Group and the employees are each required to make contributions to the plan at 5% of the employee's relevant income, subject to a cap of monthly relevant income of HK\$30,000 per employee. There are no forfeited contributions for the MPF Scheme as the contributions are fully vested to the employees upon payments to the MPF Scheme. We provide various types of trainings to our employees and sponsor our employees to attend training courses.

# Management Discussion and Analysis

The remuneration to members of senior management by band for year ended 31 March 2024 is set out below:

	No. of individual
HK\$nil to HK\$1,000,000	2

## Events After the Reporting Period

There are no material subsequent events undertaken by the Company or by the Group after 31 March 2024.



# Biographical Details of Directors and Senior Management

## Executive Directors

**Mr. Tsang Chiu Kwan (“Mr. CK Tsang”)**, aged 60, was appointed as our Director on 4 July 2017 and appointed as chairman of the Board and re-designated as executive Director on 27 July 2017. He was also appointed as chief executive officer on 30 June 2021. Mr. CK Tsang is also our controlling shareholder. He joined our Group in December 2004 and is responsible for the overall strategic planning and business development as well as executing the overall operation of our Group.

Mr. CK Tsang has completed a two-year part-time technician programme and was awarded the certificate in electrical engineering from Kwai Chung Technical Institute (former name of the Hong Kong Institute of Vocational Education (Kwai Chung)) in July 1987. He completed his higher certificate programme on modern factory management at the Hong Kong Management Association in December 1994 and the diploma in business management programme jointly organised by the Hong Kong Polytechnic University and the Hong Kong Management Association in September 2000.

Mr. CK Tsang has over 20 years of experience in the construction industry. Prior to joining our Group, Mr. CK Tsang served as an engineer and was responsible for the equipment maintenance and production supervision in Motorola Semiconductors (HK) Limited, a company principally engaged in manufacturing of semi-conductors from July 1988 to June 2001. Between May 2002 to March 2006, he served as a director in Gowin Engineering Co., Limited, a construction company, where he was responsible for the development and execution of business strategies.

**Mr. Lau Ka Ho**, aged 46, was appointed as our executive Director and company secretary on 25 February 2021 and 3 September 2021 respectively. He obtained his master’s degree of business administration from The University of Iowa in 2010. He further obtained his master’s degree of corporate governance from Hong Kong Metropolitan University in 2015. Mr. Lau is currently a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. He is also a member of The Hong Kong Institute of Directors.

Mr. Lau has over 15 years of experience in corporate management, corporate finance and corporate secretarial areas. Since December 2018, he has been working with Prosperous Future Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1259), and is currently an executive director and the chief executive officer of the company. Since June 2020, he has been appointed as an independent non-executive director of International Entertainment Corporation, a company listed on the Main Board of the Stock Exchange (Stock Code: 1009).

# Biographical Details of Directors and Senior Management

## Independent Non-executive Directors

**Mr. So Chun Man**, aged 48, was appointed as our independent non-executive Director on 23 January 2018. Mr. So obtained a Higher Certificate in Building Studies from Hong Kong Technical College in June 1998 and a Bachelor of Applied Science Construction Management and Economics from Curtin University of Technology, Australia in September 2001. He is a member of both the Australian Institute of Building and the Hong Kong Institute of Construction Managers since August 2005, an incorporate member of the Chartered Institute of Building United Kingdom since April 2007 and a member of the Chartered Association of Building Engineers since September 2015. Further, he was a Council Member of the Hong Kong General Building Contractor Association from 2015 to 2016. From July 2016 to June 2018, he was the Vice Honorary Secretary of the Hong Kong General Building Contractor Association. Mr. So has been the Honorary President of the Fire Safety Ambassador Honorary Presidents' Association of Fire Services Department and the Vice President of the Hong Kong General Building Contractor Association since October 2016 and July 2018 respectively.

Mr. So has over 30 years' experience in construction industry. From August 1991 to July 1997, Mr. So worked at WTP (Hong Kong) Limited with his last position as Assistant Quantity Surveyor. From October 1997 to March 2004, he worked at Chun Wo Construction & Engineering Co., Limited with his last position as Assistant Quantity Surveyor Manager. From April 2004 to May 2009 and from June 2009 to September 2010, he was a director of Fulluck Construction Engineering Limited and Joy Smart Construction Engineering Limited respectively. From March 2011 to March 2015, he worked as a project director for Yee Hop Engineering Co., Limited. From May 2015 to May 2017, he was a director for Rodney Construction & Engineering Co., Limited and he has been currently the director of RS Construction Engineering Limited since October 2015.

**Mr. Chen Yeung Tak**, aged 39, was appointed as our independent non-executive Director on 23 January 2018. Mr. Chen obtained a Bachelor of Arts in Accountancy from The Hong Kong Polytechnic University in December 2006. Mr. Chen is a member and fellow of the Hong Kong Institute of Certified Public Accountants ("CPA"). He is also a CPA (Practising) registered in the Accounting and Financial Reporting Council.

Mr. Chen has over 15 years of experience in auditing, accounting and financial management, treasury, internal control, corporate governance and company secretarial matters. Mr. Chen worked in international accounting firms and Blue River Holdings Limited (formerly known as PYI Corporation Limited, a company listed on the Stock Exchange with stock code 498). He served as an independent non-executive director of AV Promotions Holdings Limited (a company listed on the Stock Exchange with stock code 8419) from December 2017 to November 2021. Mr. Chen is currently a company secretary of Kingland Group Holdings Limited (a company listed on the Stock Exchange with stock code 1751) and had an appointment of its executive director from May 2020 to June 2022.

He is an independent non-executive director of the following companies respectively: DT Capital Limited (a company listed on the Stock Exchange with stock code 356); WELI Holdings Limited (a company listed on the Stock Exchange with stock code: 2372); and Kingbo Strike Limited (a company listed on the Stock Exchange with stock code: 1421). He is an independent director of Onion Global Limited (a company formerly listed on the New York Stock Exchange with stock code: NYSE: OG) and currently listed on U.S. OTC Market (stock code: OGBLY: OG).



## Biographical Details of Directors and Senior Management

**Mr. Lai Ming Ho**, aged 36, was appointed as our independent non-executive Director on 6 October 2023. Mr. Lai holds a Bachelor's Degree in Accounting and Finance from The Hong Kong Polytechnic University. He is a fellow member of The Hong Kong Institute of Certified Public Accountants, a chartered tax adviser (non-practising) of The Taxation Institute of Hong Kong, a financial risk manager of Global Association of Risk Professionals and a certified internal auditor of The Institute of Internal Auditors.

Mr. Lai has over 14 years of working experience gained from technical accounting environment in accounting, auditing, taxation, and company secretary services in various industries including logistics, property development and construction, oil trading, film production, manufacturing, financial services, information technology, among others. He also has senior managerial experience within multinational audit firms and listed companies. He is currently a managing director of a private company.

### Senior Management

**Mr. Wong Ho Yin**, aged 48, is the associate director of our Group. He is responsible for the operation and management of the construction projects of our Group. Mr. Wong obtained his Higher Diploma in Building from the City University of Hong Kong in November 1997 and subsequently obtained his Bachelor of Science in Construction Management (distance programme) from Heriot-Watt University, United Kingdom, in June 2009. He was admitted as a member of the Chartered Institute of Building in August 2018 and is entitled to use the designation MCIOB and describe himself as a Chartered Construction Manager since then.

Mr. Wong has over 25 years of experience in construction industry. Prior to joining our Group, he worked at China Civil Engineering Construction Corporation from July 1997 to September 2002 with his last position as project coordinator. Subsequently, Mr. Wong joined as project coordinator at Chun Wo from September 2002 to February 2004. He then served as a site agent at Welgain & Goldwin Construction Engineering Ltd and Yau Luen Construction & Engineering Ltd from February 2004 to October 2004 and from October 2004 to August 2005 respectively. From August 2005 to January 2007, Mr. Wong served as a project coordinator at CW Construction (Macau) Limited. Subsequently, he joined our Group from January 2007 to October 2016 with his last position as project manager. From October 2016 to September 2018, Mr. Wong served as a clerk of works to DLN Architects Limited. He rejoined our Group as an associate director since October 2018.

## Biographical Details of Directors and Senior Management

**Mr. Tse Choi Lam**, aged 51, is the senior project manager of our Group. He joined our Group in August 2011 as a site agent and was promoted to his current position in August 2018. He is responsible for the operation and management of the construction projects of our Group. He obtained the Certificate in Building Studies from Morrison Hill Technical Institute (former name of the Hong Kong Institute of Vocational Education (Morrison Hill)) in August 1995 and the Higher Certificate in Building Studies from Hong Kong Technical College in June 1997. He also completed various training courses including a construction safety supervisor course (part-time programme) in October 2003, a highways department site audit inspection standards (safety & roadwork obligations) course in May 2005, a metal scaffold erecting and dismantling supervision training course in October 2007 at the Construction Industry Training Authority of Hong Kong, and an occupational safety management course at the Occupational Safety and Health Council in June 2007.

Mr. Tse has over 29 years experience in construction industry. Prior to joining our Group, he worked at Shui On Building Contractors Ltd. with his last position as foreman from September 1994 to November 1997. He worked as a works supervisor I for Dennis Lau & Ng Chun Man Architects & Engineers (H.K.) Limited from December 1997 to February 2001. He then joined Tai Fong Engineering Hong Kong Co., Ltd. from April 2001 to April 2002 and Wing Hong Contractors Ltd. from May 2002 to September 2002, both as a group representative. From March 2003 to June 2011, he worked for Chun Wo Construction and Engineering Co. Ltd. with last position as site agent.

### Company Secretary

**Mr. Lau Ka Ho**, is the company secretary of our Group. For details of his qualifications and experience, please refer to paragraph headed “Executive Directors” in this section of the annual report.

# Corporate Governance Report

## Corporate Governance Practices

The Board recognises that transparency and accountability are important to the Company as a listed company. Since its Listing, the Company is committed in establishing and maintaining good corporate governance practices and procedures. The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture in return to the benefits of the Company's shareholders as a whole.

The Board has adopted and complied with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 (which has been restructured as Appendix C1 since 31 December 2023) to the Listing Rules. During the year ended 31 March 2024, the Board is of the opinion that the Company has complied with all the code provisions of the CG Code apart from the code provision C.2.1 described in the paragraph headed “Chairman and Chief Executive”.

The Directors will continue reviewing the Company's corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation on the Company.

## Board of Directors

### Composition of the Board

The Board currently comprises:

#### Executive Directors

Mr. Tsang Chiu Kwan (*Chairman and Chief Executive Officer*)

Mr. Lau Ka Ho

#### Independent Non-executive Directors

Mr. So Chun Man

Mr. Chen Yeung Tak

Mr. Wong Max Aaron (resigned on 6 October 2023)

Mr. Lai Ming Ho (appointed on 6 October 2023)

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

During the Year, in compliance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors and two of whom (Mr. Chen Yeung Tak and Mr. Lai Ming Ho) have appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent in light of the independence guidelines set out in the Listing Rules.

As at the date of this report, no independent non-executive Director has served the Company for more than nine years.

The Company recognises that Board independence is key to good corporate governance. A policy in relation to independent views available to the Board was adopted by the Company to ensure effective mechanisms that underpin a strong independent Board and that independent views and input from Directors are conveyed to the Board. The Board shall review the implementation and effectiveness of the policy annually.

## Chairman and Chief Executive

The Company endeavors to adopt prevailing best corporate governance practices. During the Year, the Company had complied with the code provisions set out in the CG Code apart from the code provision C.2.1 as disclosed below.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The positions of chairman and chief executive officer of the Company are held by Mr. Tsang Chiu Kwan (“**Mr. CK Tsang**”), who has in-depth industry experience and knowledge about the operation and management of the business of the Company. Mr. CK Tsang is responsible for the overall strategic planning and business development as well as executing the overall operation of the Group. The Board believes that this arrangement enhances the effective and efficient planning and implementation of business decisions and strategies under the strong and consistent leadership, and would be overall beneficial to the management and development of the Group’s business.

## Responsibilities of the Board

The overall management of the Company’s business is vested in the Board which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All the Directors should make decisions objectively in the interests of the Company. The Board has the full support from the executive Directors and the senior management of the Company to discharge its responsibilities.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management of the Company. The delegated functions and work tasks are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by any of the executive Directors and the senior management. The Board also assumes the responsibilities of maintaining high standard of corporate governance, including, among others, developing and reviewing the Company’s policies and practices on corporate governance, reviewing and monitoring the Company’s policies and practices on compliance with legal and regulatory requirements, and reviewing the Company’s compliance with the CG Code. All Directors, including both the non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for efficient and effective delivery of the Board functions. The Board has also delegated various responsibilities to the board committees of the Company (the “**Board Committees**”). Further details are set out below in this annual report.

## Board Committees

The Board has established three Board Committees to oversee specific aspects of the Group’s affairs and help it in the execution of its responsibilities. The Board Committees each have specific written terms of reference which clearly outline the committees’ authority and duties, and require the Board Committees to report back on their decisions or recommendations to the Board. All Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expense.

## Audit Committee

The Company has established the Audit Committee on 23 January 2018 with written terms of reference, which were revised with effect from 16 December 2019, in compliance with paragraph D.3 of the CG Code. The Audit Committee is chaired by Mr. Chen Yeung Tak with Mr. So Chun Man, Mr. Lai Ming Ho (appointed on 6 October 2023) and Mr. Wong Max Aaron (resigned on 6 October 2023) as members. Mr. Chen Yeung Tak is the independent non-executive Director with the appropriate professional qualifications.

The primary duties of the Audit Committee are to review and supervise the Group's financial reporting process, to nominate and monitor the Company's external auditors, and to oversee the risk management and internal control procedures of the Company.

The members of the Audit Committee should meet at least twice a year. During the Year, the Audit Committee held two meetings and performed duties including review of the Group's annual and interim reports.

Subsequent to year ended 31 March 2024 and up to the date of this annual report, a meeting of the Audit Committee was held on 28 June 2024, during which the Audit Committee has, among other things, reviewed the consolidated financial statements of the Group for the year ended 31 March 2024, including the accounting policies and practices adopted by the Group, as well as the risk management and internal control systems of the Group.

The attendance records of the respective members of the Audit Committee to its meetings during the Year are set out below:

Name of member of the Audit Committee	Attendance/ number of meeting held
Mr. Chen Yeung Tak ( <i>Chairman</i> )	2/2
Mr. So Chun Man	2/2
Mr. Wong Max Aaron (Note 1)	1/1
Mr. Lai Ming Ho (Note 2)	1/1

Notes:

(1) Appointed on 12 May 2023 and resigned on 6 October 2023

(2) Appointed on 6 October 2023

## Remuneration Committee

The Company has established the Remuneration Committee on 23 January 2018 with written terms of reference, which were revised with effect from 16 December 2019 and 31 March 2023, in compliance with paragraph E.1 of the CG Code. As at 31 March 2024, the Remuneration Committee has three members comprising two independent non-executive Directors, namely Mr. So Chun Man, Mr. Chen Yeung Tak and one executive Director, namely Mr. Lau Ka Ho. Mr. So Chun Man has been appointed as the chairman of the Remuneration Committee.



The primary duties of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Company, and to ensure that none of the Directors determine their own remuneration. The Remuneration Committee is also responsible for reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The members of the Remuneration Committee should meet at least once a year. During the Year, five Remuneration Committee meetings were held, among other things, reviewing the remuneration packages for individual executive Directors and senior management and making recommendations to the Board.

The attendance records of the respective members of the Remuneration Committee to its meetings during the Year are set out below:

Name of member of the Remuneration Committee	Attendance/ number of meeting held
Mr. So Chun Man ( <i>Chairman</i> )	5/5
Mr. Chen Yeung Tak	5/5
Mr. Lau Ka Ho	5/5

The remuneration to members of senior management by band for year ended 31 March 2024 is set out below:

	No. of individual
HK\$nil to HK\$1,000,000	2

### Nomination Committee

The Company has established the Nomination Committee on 23 January 2018 with written terms of reference, which were revised with effect from 16 December 2019, in compliance with paragraph B.3 of the CG Code. As at 31 March 2024, the Nomination Committee consists of three members comprising two independent non-executive Directors, namely Mr. So Chun Man, Mr. Chen Yeung Tak and one executive Director, namely Mr. Lau Ka Ho. Mr. Chen Yeung Tak has been appointed as the chairman of the Nomination Committee.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board annually, to identify individuals suitably qualified to become members of the Board, to assess the independence of the independent non-executive Directors, and to make recommendations to the Board on relevant matters relating to appointments of Directors.

The members of the Nomination Committee should meet at least once a year. During the Year, three meetings of the Nomination Committee were held, and has, among other things, reviewed the structure, size and composition of the Board and assessed the independence of the independent non-executive Directors.

# Corporate Governance Report

The attendance records of the respective members of the Nomination Committee to its meetings during the Year are set out below:

Name of member of the Nomination Committee	Attendance/ number of meeting held
Mr. Chen Yeung Tak ( <i>Chairman</i> )	3/3
Mr. So Chun Man	3/3
Mr. Lau Ka Ho	3/3

## Nomination Policy

The Company adopted a nomination policy (the “**Nomination Policy**”). A summary of the Nomination Policy, together with the selection criteria and the nomination procedures made towards achieving those objectives are disclosed below:

### Summary of the Nomination Policy

The Nomination Policy provides the key selection criteria and general principles of the Nomination Committee in making any recommendation on the appointment and re-appointment of the Directors. It aims to ensure that the Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to the requirements of the Group’s business.

### Selection criteria

When making recommendation(s) regarding the appointment of any proposed candidate(s) for directorships to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a number of criteria including but not limited to the followings:

- (a) Character and integrity;
- (b) Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company’s business and corporate strategy;
- (c) Measurable objectives adopted for achieving diversity on the Board;
- (d) Requirements for the Board to have independent directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- (e) Potential contributions he/she can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;

- (f) Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
- (g) Other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the articles of association of the Company (the "**Articles**") and other applicable rules and regulations. The progress made towards achieving the objectives set out in the Nomination Policy will be disclosed periodically in the corporate governance report of the Company.

### Nomination procedures

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

#### **(a) Appointment of new director**

- (i) The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents;
- (ii) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship;
- (iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable;
- (iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

#### **(b) Re-election of director at general meeting**

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board;
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above;
- (iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

# Corporate Governance Report

## Review of Nomination Policy

The Nomination Committee will conduct regular review on the structure, size and composition of the Board and this Nomination Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

## Board Diversity Policy

The Company adopted a board diversity policy (the "**Board Diversity Policy**"). A summary of this Board Diversity Policy, together with the measurable objectives set for implementing this Board Diversity Policy, and the progress made towards achieving those objectives are disclosed as below.

### Summary of the Board Diversity Policy

The Company recognised and embraced the benefits of having a diverse Board to the quality of its performance. The Board Diversity Policy aims to set out the approach to achieve diversity on the Board. In designing the Board's composition, Board diversity has been considered from a number of measurable aspects including but not limited to gender, age, ethnicity, knowledge and length of services. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regards for the benefits of diversity on the Board.

### Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

### Implementation and Monitoring

The Nomination Committee reviewed the Board's composition under diversified perspectives, and monitored the implementation of the Board Diversity Policy annually.

The Board and the Nomination Committee have reviewed the Board Diversity Policy to ensure its effectiveness and considered that it remains effective and appropriate for the Company. The Board currently has no female Director. The Company will continue to take initiatives to identify suitable candidates so as to appoint at least one female Director on the Board by the end of 2024.

As at 31 March 2024, 10% of total workforce (including Directors and/or the senior management) of the Group were female and 90% of total workforce (including Directors and/or the senior management) of the Group were male. Further details on workforce composition can be found in the Environmental, Social and Governance Report of the Company for the year ended 31 March 2024, which will be published together with this annual report. The Group strives to increase the ratio of females in the workforce to the extent possible going forward, with gender diversity factor taking into account by the management during the recruitment process.

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

## Board Meeting, General Meeting and Procedures

During the Year, one annual general meeting and nine Board meetings were held. The attendance record of each Director at annual general meeting and the Board meetings is set out in the table below:

	Number of attendance/ Annual general meeting	Number of attendance/ number of Board meetings
<b>Executive Directors</b>		
Mr. Tsang Chiu Kwan ( <i>Chairman and Chief Executive Officer</i> )	1/1	9/9
Mr. Lau Ka Ho	1/1	9/9
<b>Independent Non-executive Directors</b>		
Mr. Chen Yeung Tak	1/1	9/9
Mr. So Chun Man	1/1	9/9
Mr. Wong Max Aaron (Note 1)	0/1	3/3
Mr. Lai Ming Ho (Note 2)	–/–	3/3

Notes:

(1) Appointed on 12 May 2023 and resigned on 6 October 2023

(2) Appointed on 6 October 2023

In addition, the chairman of the Board held a meeting with the independent non-executive Directors without the presence of other Directors during the Year.

## Corporate Governance Functions

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions set out in the code provision A.2.1 of the CG Code, such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the code of conduct, and reviewing the Company's compliance with CG Code and disclosure in this Corporate Governance Report, etc. The Board held meetings from time to time whenever necessary. At least 14 days' notice of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all the Directors at least 3 days before the date of every Board meeting in order to allow sufficient time for the Directors to review the documents.

Minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The Board also ensures that it is supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

Every Board member has full access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

### Code of Conduct for Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 (which has been restructured as Appendix C3 since 31 December 2023) to the Listing Rules (the “**Model Code**”). The Company had also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the Model Code by the Directors since the Listing Date and up to the date of this annual report.

Pursuant to B.13 of the Model Code, the Directors have also requested any employee of the Company or director or employee of subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

### Appointment and Re-election of Directors

Each of the executive Directors has entered into a service agreement with the Company for a term of three years subject to renewal and termination by either party in accordance with the terms thereof and retirement and re-election provisions in accordance with the Articles. Each of the independent non-executive Directors has entered into an appointment letter with the Company for a term of three years subject to renewal and termination by either party in accordance with the terms thereof and retirement and re-election provisions in the Articles.

With the various experience of both the executive Directors and the independent non-executive Directors, the Board considers that the Directors have a balance of skills and experience for the business of the Group.

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

The Articles also provides that any Director appointed to fill a casual vacancy or as an additional Director shall be subject to re-election by shareholders at the first general meeting or next general meeting of the Company after appointment.

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

### Continuous Professional Development

Each newly appointed Director shall receive induction on the first occasion of his/her appointment, so as to ensure that he/ she has appropriate understanding of the business and operations of the Group, and that he/she is fully aware of his/ her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Mr. Lai Ming Ho, who was appointed as an independent non-executive Director during the financial year ended 31 March 2024, attended a training session on 10 October 2023, at which an external legal adviser provided legal advice on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. He has confirmed he understood his obligations as a Director of the Company.

To assist the Directors' continuous professional development, the Company recommends the existing Directors to attend relevant seminars to develop and refresh their knowledge and skills. The Directors also participate in continuous professional development programmes such as external seminars organised by qualified professionals, to develop and refresh their knowledge and skills in relation to their contribution to the Board. All the Directors understand the importance of continuous professional development and are committed to participate in any suitable training to develop and refresh their knowledge and skills. The company secretary of the Company is responsible for maintaining and updating records for the Directors' training sessions.

During the year ended 31 March 2024, all Directors complied with the code provision C.1.4 of the CG Code on participation in continuous professional training as follows:

- All Directors (being Mr. Tsang Chiu Kwan, Mr. Lau Ka Ho, Mr. So Chun Man, Mr. Chen Yeung Tak, Mr. Wong Max Aaron (resigned on 6 October 2023) and Mr. Lai Ming Ho (appointed on 6 October 2023)) received regular briefings and updates from the Company on the Group's business, operations and corporate governance matters.
- Mr. Lau Ka Ho, Mr. Chen Yeung Tak, Mr. Wong Max Aaron (resigned on 6 October 2023) and Mr. Lai Ming Ho (appointed on 6 October 2023) attended relevant seminars organized by other professional firms/ institutions/the Stock Exchange.
- All Directors (being Mr. Tsang Chiu Kwan, Mr. Lau Ka Ho, Mr. So Chun Man, Mr. Chen Yeung Tak, Mr. Wong Max Aaron (resigned on 6 October 2023) and Mr. Lai Ming Ho (appointed on 6 October 2023)) read technical bulletins, periodicals and other publications on subjects relevant to the Group and on their responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

In addition, Mr. Lai Ming Ho (appointed on 6 October 2023) received induction on the first occasion of his appointment.

### Directors' Responsibilities for the Financial Statements

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group that give a true and fair view of the state of affairs of the Group. The Directors aim to present a balanced and understandable assessment of the Group's position and prospects with timely publication of the consolidated financial statements of the Group. As at 31 March 2024, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt on the Group's ability to continue as a going concern.

The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company. The statements by external auditor, Deloitte Touche Tohmatsu, about their reporting responsibility on the consolidated financial statements of the Group are set out in the independent auditor's report in this annual report.

### Internal Control and Risk Management

The Board has an overall responsibility for the establishment, maintenance and review of the Group's internal control system to safeguard shareholders' interests and the assets of the Group. The internal control system of the Group aims to facilitate effective and efficient operation which in turn minimises the risks to which the Group is exposed. The system can only provide reasonable but not absolute assurance against misstatement or losses.



# Corporate Governance Report

The Group recognises that good risk management is essential for the long-term development on the Group's business. Management is responsible for establishing, implementing, reviewing and evaluating a sound and effective internal control system underpinning the risk management framework. All employees of the Group are committed to implement the risk management framework into the daily operation.

The Board has conducted regular reviews during the Year on the effectiveness of the internal control system covering all material controls in the financial, operational and compliance controls, various functions for risks management as well as physical and information systems security. The Board considered such internal control system effective and adequate. The Audit Committee reviews internal control issues identified by external auditor and the management team, and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems for the Year. The Audit Committee in turn reports any material issues to the Board. The Group currently has no internal audit function and such review was performed by an external independent consultant engaged by the Group. The Board considers that it is more cost effective to engage an external independent consultant instead of recruiting a team of an internal audit staff to perform such annual review function.

The objectives of the risk management and internal control framework of the Group are to identify and manage the risk of the Group's with the acceptable safety levels and achieve the Group's strategic objectives. The Group has adopted a three-line risk management approach to identify, analysis, evaluation, mitigate and handle risks. At the first line of defence, department staff/frontline employees who must understand their roles and responsibilities are responsible for identifying, assessing and monitoring risks associated with transactions. The second line of defence is the Group's management that provides independent oversight of the risk management activities of the first line of defence. It ensures that risks are within the Group's risk capacity and that the control of the first line of defence is effective. As the final line of defence, the Audit Committee, with the advice from the external professional party and the regular internal control review conducted on an annual basis, the first and second lines of defence are ensured to have been performed effectively.

The Company adopted a whistleblowing policy to provide a clear procedure for employees and other parties who deal with the Group (e.g. customers and suppliers, etc.), in reporting concerns of misconduct, malpractice or impropriety when conducting business related to the Group, in good faith. An anti-corruption code of conduct also was adopted, which outlines the Group's commitment to zero-tolerance towards any form of corruption, bribery, extortion, fraud and money laundering, to assist employees in recognising circumstance which may lead to or give the appearance of being involved in corruption or unethical business conduct, so as to avoid such conduct which is clearly prohibited, and to promptly report or seek guidance where necessary. The Audit Committee is responsible for implementation and oversight of the whistleblowing policy and anti-corruption code of conduct. The Board considers that its whistleblowing and anti-corruption practices and policies are fundamental to good corporate governance.

## Company Secretary

Mr. Lau Ka Ho, the company secretary of the Company, has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training. The biographical details of the company secretary is set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

## Auditor’s Remuneration

The amount of fees charged by the external auditor generally depends on the scope and volume of the external auditor’s work performed.

For the year ended 31 March 2024, the remuneration paid or payable to the auditor of the Company, in respect of their audit services and non-audit services for the Group was as follows:

Categories of Services	HK\$’000
Audit	1,275
Non-audit	23
Total:	1,298

## Shareholders’ Rights

As one of the measures to safeguard shareholders’ interest and rights, separate resolutions can be proposed at shareholders’ meetings on each substantial issue, including the election of individual directors, for shareholders’ consideration and voting. All resolutions put forward at shareholders’ meeting will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the website of the Stock Exchange and the Company’s website after the relevant shareholders’ meeting.

## Procedures for Shareholders to Convene Extraordinary General Meeting

The following procedures for shareholders to convene an extraordinary general meeting 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):

- (a) 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 of the Company (the “**Company Secretary**”), to require an extraordinary general meeting (“**EGM**”) to be called by the Board for the transaction of any business specified in such requisition;
- (b) Eligible Shareholders who wish to convene an EGM must deposit a written requisition (the “**Requisition**”) signed by the Eligible Shareholder(s) concerned to the head office and principal place of business of the Company in Hong Kong or Hong Kong branch share registrar and transfer office of the Company for the attention of the Board and/or the Company Secretary;
- (c) 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;

## Corporate Governance Report

- (d) 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;
- (e) if within 21 days of the deposit of the Requisition, the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

### Procedures for Shareholders to Put Forward Proposals at Shareholders' Meetings

There are no provisions allowing shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of Cayman Islands. However, pursuant to the Articles, shareholders who wish to move a resolution may by means of Requisition convene an EGM following the procedures set out above.

### Procedures for Raising Enquiries

Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's Hong Kong share registrar (details of which are set out in the section headed "Corporate Information" of this annual report).

Should the shareholders have any enquiries and concerns, they may send in written enquiries addressed to the head office and principal place of business of the Company in Hong Kong by post for the attention of the Board and/or the Company Secretary.

Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

### Communication with Shareholders and Investors

The Company has adopted a shareholders communication policy (the "**Shareholders Communication Policy**") with the objective of providing the shareholders of the Company with information about the Company and enabling them to engage actively with the Company and exercise their rights as shareholders in an informed manner. The Board reviews the Shareholders Communication Policy annually to ensure its effectiveness. Details of the Shareholders Communication Policy are summarized as below:

1. Information of the Company shall be communicated to shareholders and the investment community mainly through the following communication channels:
  - (i) The Company's publications such as financial reports (interim and annual reports), results announcements, corporate announcements, circulars and proxy forms ("**Corporate Communications**");

- (ii) The Company's website; and
  - (iii) Annual general meetings and other general meetings.
2. Effective, equal and timely dissemination of information to shareholders and the investment community shall be ensured at all times.
  3. To facilitate timely and effective communications and contribute to environmental protection, the Company shall provide options for shareholders to receive Corporate Communications by electronic means in lieu of receiving printed copies. Shareholders are encouraged to receive electronic form of the Corporate Communications published on the Company's website. Shareholders have the right to choose the language (either English or Chinese) and means of receipt of the Corporate Communications (in hard copy or through electronic means).
  4. The website of the Company ([www.gainplus.hk](http://www.gainplus.hk)) provides information on the Company, including communication to shareholders. In addition, financial and other reports as well as announcements are available on the Company website.
  5. Corporate Communications are posted on the Company website as soon as practicable following their publication on the website of The Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).
  6. The shareholders are encouraged to participate in general meetings or to appoint proxies to attend and, on poll, vote at meetings for and on their behalf if they are unable to attend the meetings.
  7. Board members, appropriate management executives and the external auditor shall attend annual general meetings to answer shareholders' questions.
  8. Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the Company. Such questions, requests and comments can be addressed to the Company Secretary.
  9. Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar and transfer office in Tricor Investor Services Limited.

Having considered the multiple channels of communication in place and shareholders' communication activities conducted, the Board is satisfied that the Shareholders Communication Policy has been properly implemented during the Year and is effective.

### Constitutional Documents

At the annual general meeting held on 16 August 2023, a special resolution was passed to amend the Articles in order to: (i) bring the Articles in line with the relevant requirements of the Listing Rules as well as the applicable laws of the Cayman Islands; ii) adopt house-keeping improvements and amendments in line with the aforesaid proposed amendments. Details of the major amendments brought about by the adoption of the new Articles are set out in the circular of the Company dated 25 July 2023. The latest version of the Articles is available on both the websites of the Company and the Stock Exchange.

### Non-Competition Undertakings by Controlling Shareholders

Each of the controlling shareholders of the Company has made an annual declaration to the Company that during the year ended 31 March 2024, he/she/it and his/her/its associates have complied with the terms of non-competition undertakings (“**Non-Competition Undertakings**”) given in favour of the Company which are contained in the Deed of Non-Competition Undertaking. Details of the Non-Competition Undertakings are set out in the section headed “Relationship with the Controlling Shareholders” of the listing document dated 19 December 2019. The independent non-executive Directors have also reviewed the status of compliance by each of the controlling shareholders with the undertakings in the Non-Competition Undertakings and as far as the independent non-executive Directors can ascertain, there is no breach of any of the undertakings in the Non-Competition Undertakings.

### Dividend Policy

The Company has adopted a dividend policy (the “**Dividend Policy**”). Under the Dividend Policy, the declaration and payment of dividends shall be determined by the Board and subject to all the applicable requirements under, including but not limited to, the Companies Law of the Cayman Islands and the Articles of the Company.

The Company does not have any pre-determined dividend payout ratio. In deciding whether to propose a dividend and in determining an appropriate basis for dividend distribution, the Board will take into account, inter alia, the Group’s results of its operations, cash flows, financial conditions, future prospects, legal and tax considerations and other factors the Board deems appropriate. Our Directors will consider that if there is material adverse impact on our Group’s financial and liquidity position arising out of the dividend payments. Dividends may be paid out by way of cash or by other means that our Group considers appropriate.

The Company will continually review the Dividend Policy from time to time. There is no guarantee that any particular amount of dividends will be distributed for any specific periods.

# Report of the Directors

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 March 2024.

## Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 33 to the consolidated financial statements. The principal activity of the Group is the provision of building construction services and RMAA Services in Hong Kong.

## Results and Dividends

The results of the Group for the year ended 31 March 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on page 45 of this annual report.

The Board has declared a special dividend of HK\$0.135 per ordinary share of the Company for the year ended 31 March 2024 which was paid on Tuesday, 6 February 2024 to the shareholders of the Company. The Board does not recommend the payment of any final dividend for the year ended 31 March 2024.

## Charitable Donations

During the Year, charitable donations was made by the Group amounted to approximately HK\$2,000 (31 March 2023: HK\$10,000).

## Plant and Equipment

Details of the movements in plant and equipment of the Group during the Year are set out in note 15 to the consolidated financial statements.

## Business Review

Detailed business review is set out in the section headed “Management Discussion and Analysis” in this annual report. Future development of the Company’s business is set out in the sections headed “Management Discussion and Analysis” and “Chairman’s Statement” of this annual report.

## Compliance with Relevant Laws and Regulations

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

## Principal Risk and Uncertainties

The Group believes that the risk management practices are important and use its best effort to ensure it is sufficient to mitigate the risks present in the Group's operations and financial position as efficiently and effectively as possible. We believe the more significant risks relating to our business are as follows:

- Our revenue is mainly derived from projects which are not recurrent in nature and there is no guarantee that our customers will provide us with new businesses or that we will be able to obtain new business after completion of our projects
- We are reliant on the availability of construction projects from the public and private sectors in Hong Kong
- Cancellation, suspension or delay in the commencement of public sector projects, which may be caused by factors such as political disagreements in relation to such projects, delay in approval of funding proposals due to political objections or legal actions by the affected members of the public, may adversely affect our financial position and results of operation
- Unsatisfactory performance by our subcontractors or unavailability of subcontractors may adversely affect our operation and profitability

An analysis of the Group's financial risk management (including credit risk and liquidity risk) objectives and policies are provided in note 30 to the consolidated financial statements. Other risks facing the Group are set out in the section headed "Risk Factors" of the listing documents dated 19 December 2019 for Transfer of Listing (the "**Listing Documents**").

## Key Performance Indicator

	As at/for the year ended	
	31 March	
	2024	2023
Gross profit margin <sup>(1)</sup>	<b>5.2%</b>	7.0%
Net profit margin before interest and tax <sup>(2)</sup>	<b>3.3%</b>	5.6%
Net profit margin <sup>(3)</sup>	<b>2.8%</b>	4.7%
Return on equity <sup>(4)</sup>	<b>11.9%</b>	19.7%
Return on assets <sup>(5)</sup>	<b>9.1%</b>	15.4%
Current ratio <sup>(6)</sup>	<b>4.2 times</b>	4.5 times
Gearing ratio <sup>(7)</sup>	<b>0.1%</b>	Not available
Interest coverage <sup>(8)</sup>	<b>1,386.8 times</b>	4,818.0 times



## Notes:

- (1) The gross profit margin is calculated by dividing the gross profit by revenue for the respective year multiplied by 100%.
- (2) The net profit margin before interest and tax is calculated by dividing the profit before interest and tax by revenue for the respective year multiplied by 100%.
- (3) The net profit margin is calculated by dividing the profit and total comprehensive income by revenue for the respective year multiplied by 100%.
- (4) The return on equity is calculated by dividing the profit and total comprehensive income for the respective year by total equity as at the end of the respective year multiplied by 100%.
- (5) The return on assets is calculated by dividing the profit and total comprehensive income for the respective year by total assets as at the end of the respective year multiplied by 100%.
- (6) The current ratio is calculated by dividing the total current assets by the total current liabilities as at the end of the respective year.
- (7) The gearing ratio is calculated by dividing the total debt which represents lease liabilities and bank borrowings by total equity as at the end of the respective year multiplied by 100%.
- (8) The interest coverage is calculated by dividing the profit before interest and tax by finance costs incurred for the respective year.

## Gross profit margin

Our Group's gross profit margin decreased from approximately 7.0% for the year ended 31 March 2023 to approximately 5.2% for the year ended 31 March 2024. Such decrease was mainly due to decrease in the gross profit margin of the projects performed during the year.

## Net profit margin before interest and tax

Our Group's net profit margin before interest and tax decreased from approximately 5.6% for the year ended 31 March 2023 to approximately 3.3% for the year ended 31 March 2024 due to decrease in the revenue and overall gross profit margin.

## Net profit margin

For the year ended 31 March 2024, our Group's net profit margin was approximately 2.8% (2023: approximately 4.7%).

## Return on equity

Our return on equity was approximately 11.9% and 19.7% for the years ended 31 March 2024 and 2023, respectively. This is mainly due to decrease in net profit and decrease in total equity of approximately HK\$18.1 million, or 6.3% from approximately HK\$288.1 million as at 31 March 2023 to approximately HK\$270.0 million for the Year.

## Return on assets

Our return on assets was decreased from approximately 15.4% for the year ended 31 March 2023 to approximately 9.1% for the year ended 31 March 2024. This is mainly due to decrease in the revenue and overall gross profit margin.

## Current ratio

Our current ratio increased from approximately 4.5 times as at 31 March 2023 to approximately 4.2 times as at 31 March 2024. This is mainly due to the decrease in bank balances.



## Report of the Directors

### Gearing ratio

Gearing ratio was 0.1% for the Year (2023: not available). Such increase was primarily attributable to the increase in lease liabilities.

### Interest coverage

Our interest coverage was approximately 1,386.8 times and approximately 4,818.0 times for the years ended 31 March 2024 and 2023, respectively.

## Environmental Policies and Performance

Our Group has adopted measures and work procedures governing environment protection compliance that are required to be followed by our workers. Such measures and procedures concerning mainly air pollution and noise control include, amongst other things: (i) dust suppression by use of water; (ii) use of low-dust techniques and equipment as required by our customers; and (iii) inspection and maintenance of all equipment before use for compliance of permitted noise level.

## Financial Summary

A summary of the published results and of the assets and liabilities of the Group is set out on page 96 of this annual report. The summary does not form part of the audited consolidated financial statements.

## Share Capital

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

## Pre-Emptive Rights

There is no provision for pre-emptive or similar rights under the laws of Caymans Islands or the Articles which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

## Purchase, Sale or Redemption of the Company's Listed Securities

The Directors confirm that during the Year and up to the date of this annual report, there has been no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

## Reserves

Details of movements in reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity on page 47 and note 34 to the consolidated financial statements, respectively.

## Distributable Reserves

Retained earnings of the Company may be available for distribution to ordinary shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid. The Company's reserves available for distribution to the shareholders as at 31 March 2024 amounted to approximately HK\$79.0 million.

## Segment Information

An analysis of the Group's performance for the Year by operating segment is set out in note 6 to the consolidated financial statements.

## Relationship with Key Stakeholders

### Customers

Our customers are substantially the main contractors of construction projects in Hong Kong. For the year ended 31 March 2024, the percentage of our total revenue attributable to our largest customer amounted to approximately 80.1%, while the percentage of our total revenue attributable to our five largest customers combined amounted to approximately 99.9%.

### Suppliers

We generally place orders with our suppliers on a project-by-project basis and we do not enter into any long-term contract with our suppliers. For the year ended 31 March 2024, the percentage of the total cost of services attributable to our largest supplier amounted to approximately 0.9%, while the percentage of the total cost of services attributable to the five largest suppliers combined amounted to approximately 2.8%.

### Subcontractors

We generally engaged our subcontractors on a project-by-project basis and we do not enter into any long-term contract with our subcontractors. For the year ended 31 March 2024, the percentage of the total cost of services attributable to our largest subcontractor amounted to approximately 15.9%, while the percentage of the total cost of services attributable to the five largest subcontractors combined amounted to approximately 42.5%.

None of the Directors, their respective associates, or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's share capital) had any significant beneficial interest in the major customers, suppliers and subcontractors disclosed above.

### Employees

Employees are regarded as important and valuable assets of the Group. Details of remuneration are set out in the section headed "Management Discussion and Analysis" in this annual report.

# Report of the Directors

## Directors

During the Year and up to the date of this annual report, the Board's composition is as follows:

### Executive Directors

Mr. Tsang Chiu Kwan (*Chairman and Chief Executive Officer*)  
Mr. Lau Ka Ho

### Independent Non-executive Directors

Mr. Chen Yeung Tak  
Mr. So Chun Man  
Mr. Wong Max Aaron (resigned on 6 October 2023)  
Mr. Lai Ming Ho (appointed on 6 October 2023)

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

Pursuant to article 112 of the Articles, any Director appointed by the Board to fill a causal vacancy shall hold office only until the first general meeting of the Company after his/her appointment and shall be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the first following annual general meeting of the Company after his/her appointment and shall then be eligible for re-election.

Accordingly, Mr. Tsang Chiu Kwan, Mr. So Chun Man and Mr. Lai Ming Ho, will retire from office as Directors at the forthcoming annual general meeting to be held on 16 August 2024, and being eligible, offer themselves for re-election.

## Biographical Details of Directors and Senior Management

Biographical details of the Directors and the senior management of the Group are set out on pages 8 to 11 of this annual report.

## Directors' Service Contracts

Each of the executive Directors has entered into a service agreement with the Company for a term of three years and subject to renewal and termination by either party in accordance with the terms thereof and retirement and re-election provisions in accordance with the Articles of the Company.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for a term of three years subject to renewal and termination by either party in accordance with the terms thereof and retirement and re-election provisions in the Articles.

Save as disclosed above, none of the 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 one year without payment of compensation (other than statutory compensation).

## Independence Confirmation

The Company has received confirmation from each of the independent non-executive Directors regarding his/her independence in accordance with Rule 3.13 of the Listing Rules and therefore considers each of them to be independent.

## Permitted Indemnity Provision

Pursuant to Articles of the Company, a permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the financial year. The Company has purchased the Directors' and Officers' Liability Insurance to provide protection against claims arising from the lawful discharge of duties by the Directors.

## Emoluments of Directors, Chief Executive and the Five Highest Paid Individuals

Details of the emoluments of the Directors, chief executive and the five highest paid individuals of the Group are set out in note 13 to the consolidated financial statements.

## Directors' Rights to Acquire Shares or Debentures

Save as disclosed in this annual report, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any of its associated corporations were granted to any Directors or their respective spouse or children under 18 years of age and no such rights have been exercised by them during the year ended 31 March 2024. Neither the Company nor any of its subsidiaries were a party to any arrangements to enable any Directors or their respective spouses or children under the age of 18 years to acquire such rights from any other body corporates.

## Contract of Significance

Save as disclosed in this annual report, no contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholders or any of its subsidiaries during the Year.

## Retirement Benefit Scheme

Details of the Group's retirement benefit scheme are set out in note 27 to the consolidated financial statements.

## Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures

As at 31 March 2024, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 13 of Appendix 16 (which has been restructured as Appendix D2 since 31 December 2023) to the Listing Rules, were as follows:

### (i) Long position in the Shares of the Company

Name of Director	Nature of interest	Number and class of Shares (Note 1)	Approximate percentage of shareholding
Mr. Tsang Chiu Kwan (Note 2)	Interest in a controlled corporation	104,625,000 ordinary Shares (L)	28.125%

Notes:

- The letter (L) denotes the person's long interest in the Shares of the Company.
- Mr. Tsang Chiu Kwan beneficially owns the entire issued share capital of Universe King International Investment Limited ("Universe King") and is deemed, or taken to be, interested in all the Shares held by Universe King for purposes of the SFO.

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

Name of Director	Name of associated corporation	Nature of interest	Number of Shares held	Percentage of interest
Mr. Tsang Chiu Kwan	Universe King	Beneficial Owner	1,000	100%

Save as disclosed above and so far as is known to the Directors, as at 31 March 2024, none of the Directors or chief executives of the Company had or was deemed to have any other interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rules 13 of Appendix 16 (which has been restructured as Appendix D2 since 31 December 2023) to the Listing Rules.

## Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 March 2024, so far as is known to the Directors, the following persons other than a Director or the chief executive of the Company had an interest or a short position in the Shares or the underlying Shares, which would be required 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 were recorded in the register of the Company required to be kept under section 336 of the SFO, or, who were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of shareholders	Nature of interest	Number of Shares (Note 1)	Approximate percentage of shareholding
Mr. Tsang Chiu Kwan (Note 2)	Interest in a controlled corporation	104,625,000 Shares (L)	28.125%
Ms. Leung Wai Ling (" <b>Ms. Leung</b> ") (Note 3)	Interest of spouse	104,625,000 Shares (L)	28.125%
Universe King	Beneficial owner	104,625,000 Shares (L)	28.125%
Mr. Lai Wai Lam Ricky (" <b>Mr. Lai</b> ") (Note 4)	Interest in a controlled corporation	62,775,000 Shares (L)	16.875%
Ms. Chu Siu Ping (" <b>Ms. Chu</b> ") (Note 5)	Interest of spouse	62,775,000 Shares (L)	16.875%
Giant Winchain Limited (" <b>Giant Winchain</b> ")	Beneficial owner	62,775,000 Shares (L)	16.875%

Notes:

- The letter (L) denotes the person's long interest in the Shares of the Company.
- Mr. Tsang Chiu Kwan beneficially owns the entire issued share capital of Universe King and is deemed, or taken to be, interested in all the Shares held by Universe King for purposes of the SFO.
- Ms. Leung is the spouse of Mr. Tsang Chiu Kwan and is deemed, or taken to be, interested in all the Shares held by Mr. Tsang Chiu Kwan for purposes of the SFO.
- Mr. Lai beneficially owns the entire issued share capital of Giant Winchain and is deemed, or taken to be, interested in all the Shares held by Giant Winchain for purposes of the SFO.
- Ms. Chu is the spouse of Mr. Lai and is deemed, or taken to be, interested in all the Shares held by Mr. Lai for purposes of the SFO.

Save as disclosed above and so far as is known to the Directors, the Directors are not aware of any person who, as at 31 March 2024, had an interest or short position in the Shares or the underlying Shares which would be required 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 were recorded in the register of the Company required to be kept under section 336 of the SFO, or, directly or indirectly, be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

## Share Option Scheme

The share option scheme of the Company (the “**Share Option Scheme**”) is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules. The Share Option Scheme was adopted on 23 January 2018 (the “**Adoption**”), amended and modified by the resolutions of the Board on 16 December 2019. The Share Option Scheme has a life of 10 years commencing on 13 February 2018 (the “**GEM Listing Date**”), which will expire on 12 February 2028. As of the date of this annual report, no option has been granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme.

The following is a summary of the principal terms of the Share Option Scheme but it does not form part of, nor was it intended to be part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme:

### (a) Purpose of the Share Option Scheme

The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that eligible participants have made or may make to our Group.

### (b) Who may join

On and subject to the terms of the Share Option Scheme and the Listing Rules, the Board shall be entitled to make an offer to any eligible participant as the Board may in its absolute discretion select. An offer shall be deemed to have been accepted when our Company receives the letter containing the offer duly signed by grantee together with a remittance of HK\$1.00 (or such other nominal) as consideration of the grant. The offer shall remain open for acceptance by the eligible participant for a period of not less than five business days from the date on which the offer is granted.

### (c) Grant of Option

Our Board shall not offer grant of an option after inside information has come to our Company’s knowledge or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced pursuant to the relevant requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (a) the date of our Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company’s results for any year, half-year, quarter-year period or any other interim period (whether or not required under the Listing Rules); (b) the deadline for our Company to publish an announcement of our results for any year, half-year, or quarter-year period under the Listing Rules or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement; or (c) during the period or times in which our Directors are prohibited from dealing in the Shares pursuant to the Listing Rules and its appendices or any corresponding code or securities dealing restrictions adopted by our Company. The period during which no option may be granted will cover any period of delay in the publication of a results announcement.



The total number of Shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares of our Company (or the subsidiary) in issue. Where any grant of further options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over above this limit, such further grant shall be subject to the requirements (a) approval of our shareholders at general meeting, with such eligible participant and his/her associates abstaining from voting; (b) a circular in relation to the proposal for such further grant having been sent by our Company to our shareholders with such information from time to time as required by the Listing Rules; and (c) the number and terms of the options to be granted to such proposed grantee shall be fixed before our shareholders' approval mentioned in (a) above.

### (d) Price of Shares

The exercise price for any Share subject to the Share Option Scheme will be a price determined by our Board and notified to each grantee and shall be the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a trading day; (ii) an amount equivalent to the average closing price of a share as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the relevant option; and (iii) the nominal value of a share on the date of grant.

### (e) Maximum number of Shares

- (i) Subject to the sub-paragraphs (ii), (iii) and (iv) below, the maximum number of shares which may be issued upon the exercise of all options granted under the Share Option Scheme and any other schemes of our Group must not in aggregate exceed 10% of our Shares in issue as at the adoption date (i.e. 23 January 2018) (the "**Scheme Mandate Limit**") unless approved by our shareholders pursuant to the sub-paragraph (iii) below, options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit. On the basis of 372,000,000 Shares in issue on GEM Listing Date, the Scheme Mandate Limit shall be equivalent to 37,200,000 Shares, representing 10% of our Shares in issue as at the GEM Listing Date.
- (ii) Subject to the sub-paragraphs (iii) and (iv) below, the Scheme Mandate Limit may be renewed by our shareholders in general meeting from time to time provided always that the Scheme Mandate Limit so renewed must not exceed 10% of the shares in issue as at the date of approval of such renewal by our shareholders in general meeting. Upon such renewal, all options previously granted under the Share Option Scheme and any other share option schemes of our Company (including those exercised, outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of our Company) prior to the approval of such renewal shall not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. A circular must be sent to our shareholders containing such relevant information from time to time as required by the Listing Rules.
- (iii) Subject to the sub-paragraph (iv) below, our Board may seek separate shareholders' approval in general meeting to grant options beyond the Scheme Mandate Limit provided that the options in excess of the Scheme Mandate Limit are granted only to the eligible participants specifically identified by our Company before such approval is sought and our Company must issue a circular to our shareholders containing such relevant information from time to time as required by the Listing Rules.

- (iv) The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes involving the issue or grant of options or similar rights over our shares or other securities by our Company must not, in aggregate, exceed 30% of the shares in issue from time to time. Notwithstanding anything contrary to the terms of the Share Option Scheme, no options may be granted under the Share Option Scheme or any other share option schemes of our Company if this will result in the said 30% limit being exceeded.

### **(f) Time of exercise of Option**

An option may be exercised by the grantee in accordance with the terms of the Share Option Scheme at any time during the period within which the option must be exercised shall be determined by our Board to each Grantee which our Board may in its absolute discretion determine, save that such period shall not be more than ten years from the date of the grant of option. Our Board may at its discretion when offering the grant of an option, impose any conditions, restrictions or limitations in relation thereto additional to those expressly set forth in the Share Option Scheme as it may think fit.

### **Equity-linked Agreement**

Other than the Share Option Scheme as disclosed under section headed “Share Option Scheme” of this annual report, 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 during the Year and subsisted at the end of the Year.

### **Directors’ Interests in Transactions, Arrangements or Contracts**

Save as disclosed in this annual report, no other transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest subsisted at the end of the Year or at any time during the Year.

### **Competing Interest**

For the year ended 31 March 2024, the Directors were not aware of any business or interest of the Directors, the controlling shareholders, and their respective close associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

A deed of non-competition dated 16 December 2019 was entered into by the controlling shareholders in favour of the Company (for itself and as trustee for its subsidiaries), details of which are set out in the section headed “Relationship with Controlling Shareholders” of the Listing Documents.

## Related Party Transactions

Details of the related party transactions entered into by the Group are set out in note 32 to the consolidated financial statements. Such related party transactions are continuing connected transactions exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## Connected Transaction and Continuing Connected Transaction

During the Year, the Group has not entered into any connected transactions or continuing connected transactions that are not exempted under the Listing Rules. The Board confirms that the Company has complied with the applicable disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Further details of these continuing connected transactions are set out in the section headed "Continuing Connected Transactions" in the Listing Documents.

## Management Contracts

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of any business of the Group were entered into or existed during the year ended 31 March 2024.

## Sufficiency of Public Float

Since the date of Transfer of Listing and up to the date of this annual report, based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital is held by the public.

## Events After the Reporting Period

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2024 and up to the date of this annual report.

## Update on Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors are set out as follow:

- Mr. Wong Max Aaron resigned as an independent non-executive Director and a member of Audit Committee on 6 October 2023.
- Mr. Lai Ming Ho was appointed as an independent non-executive Director and a member of Audit Committee on 6 October 2023.



## Report of the Directors

### Auditor

The financial statements have been audited by Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants, who will retire and, being eligible, offered themselves for re-appointment as auditor of the Company at the forthcoming annual general meeting. A resolution for their re-appointment as the auditor of the Company will be proposed at the forthcoming annual general meeting.

Since the incorporation of the Company up to the date of this annual report, there has been no change in auditor of the Company.

### Closure of Register of Members

In order to establish entitlements to attend and vote at the forthcoming annual general meeting to be held on 16 August 2024, the register of members of the Company will be closed from 13 August 2024 to 16 August 2024 (both days inclusive), during which period no transfer of the shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 12 August 2024.

### Corporate Governance

Details of the corporate governance practices adopted by the Company are set out on pages 12 to 26 of this annual report.

### Review by Audit Committee

The audited consolidated financial statements of the Group for the year ended 31 March 2024 have been reviewed by the audit committee of the Company. The audit committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 March 2024 comply with applicable financial reporting standards, Listing Rules, and that adequate disclosures have been made.

On behalf of the Board

**Tsang Chiu Kwan**

*Chairman and Executive Director*

Hong Kong, 28 June 2024



## TO THE SHAREHOLDERS OF GAIN PLUS HOLDINGS LIMITED

德益控股有限公司

(incorporated in the Cayman Islands with limited liability)

### Opinion

We have audited the consolidated financial statements of Gain Plus Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 45 to 95, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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 2024, 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 (the “**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.

# Independent Auditor's Report

## Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b><i>Recognition of revenue from construction contracts</i></b></p> <p>We identified the occurrence and cut-off assertions under recognition of revenue from construction contracts as a key audit matter due to the significance of the Group's revenue in the context of the Group's consolidated financial statements as a whole and management estimations are required in determining the progress towards complete satisfaction of the performance obligation and the amount of contract revenue recognised.</p> <p>As set out in note 4 to the consolidated financial statements, the management estimates the contract sum and budgeted costs at the commencement of the construction contracts and regularly assesses the progress of construction works. The Group recognised revenue of HK\$1,150,954,000 from these contracts for the year ended 31 March 2024 as shown in the consolidated statement of profit or loss and other comprehensive income.</p> <p>The accounting policy and the details of the related revenue recognition are set out in notes 3 and 5 to the consolidated financial statements, respectively.</p>	<p>Our procedures in relation to recognition of revenue from construction contracts included:</p> <ul style="list-style-type: none"><li>• Testing controls relevant to our audit on revenue recognition;</li><li>• Verifying the amount of revenue recognised by checking to contracts and internal construction progress reports;</li><li>• Verifying the contract revenue by checking to the latest certificates issued by the independent quantity surveyors before year end date, on a sample basis;</li><li>• Visiting selected construction sites, on a sample basis, to observe the existence of the construction work and interview the site project managers for the progress of the construction work; and</li><li>• Assessing the reliability of the approved budgets by comparing the actual outcome against the management's estimation of construction contracts, on a sample basis.</li></ul>

## Other Information

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

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

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

## Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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



## Independent Auditor's Report

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

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Chung Chin Cheung.

### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

28 June 2024



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	5	<b>1,150,954</b>	1,210,108
Cost of services		<b>(1,090,899)</b>	(1,125,450)
Gross profit		<b>60,055</b>	84,658
Other income, other gains and losses	7	<b>8,804</b>	2,487
Impairment losses under expected credit loss model, net of reversal	8	<b>(4,680)</b>	3,460
Administrative expenses		<b>(29,906)</b>	(23,040)
Finance costs	9	<b>(27)</b>	(14)
Share of result of an associate		<b>3,170</b>	(113)
Profit before taxation		<b>37,416</b>	67,438
Income tax expense	10	<b>(5,356)</b>	(10,752)
Profit and total comprehensive income for the year	11	<b>32,060</b>	56,686
Profit (loss) and total comprehensive income (expense) for the year attributable to:			
Owners of the Company		<b>27,704</b>	56,758
Non-controlling interest		<b>4,356</b>	(72)
		<b>32,060</b>	56,686
Earnings per share	14		
Basic (HK cents)		<b>7.45</b>	15.26

# Consolidated Statement of Financial Position

At 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>			
Plant and equipment	15	2,631	2,635
Right-of-use assets	16	275	–
Interest in an associate	17	6,057	2,887
Deposits for acquisition of plant and equipment		–	17
Deferred tax assets	24	1,534	814
		<b>10,497</b>	6,353
<b>Current assets</b>			
Trade and other receivables	18	121,009	87,830
Financial assets at fair value through profit or loss (“FVTPL”)	19	14,998	14,643
Contract assets	20	77,044	67,938
Tax recoverable		2,014	–
Amount due from an associate		978	3,527
Amount due from shareholder		10	10
Bank balances and deposits	21	125,124	187,934
		<b>341,177</b>	361,882
<b>Current liabilities</b>			
Trade and other payables	22	68,961	62,527
Tax payable		–	5,347
Contract liabilities	23	12,454	12,226
Lease liabilities	25	280	–
		<b>81,695</b>	80,100
Net current assets		<b>259,482</b>	281,782
Total assets less current liabilities		<b>269,979</b>	288,135
<b>Non-current liabilities</b>			
Lease liabilities	25	4	–
Net assets		<b>269,975</b>	288,135
<b>Capital and reserves</b>			
Share capital	26	3,720	3,720
Reserves		261,975	284,491
Equity attributable to owners of the Company		<b>265,695</b>	288,211
Non-controlling interests		4,280	(76)
Total equity		<b>269,975</b>	288,135

The consolidated financial statements on pages 45 to 95 were approved and authorised for issue by the board of directors on 28 June 2024 and are signed on its behalf by:

**Tsang Chiu Kwan**  
DIRECTOR

**Lau Ka Ho**  
DIRECTOR

# Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Equity attributable to owners of the Company						Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Other reserve	Retained earnings	Sub-total		
	HK\$'000	HK\$'000	HK\$'000 (note a)	HK\$'000 (note b)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022	3,720	132,532	(48,883)	(3,337)	147,421	231,453	-	231,453
Profit/(loss) and total comprehensive income/(expense) for the year	-	-	-	-	56,758	56,758	(72)	56,686
Acquisition of a non-wholly owned subsidiary	-	-	-	-	-	-	(4)	(4)
<b>At 31 March 2023</b>	<b>3,720</b>	<b>132,532</b>	<b>(48,883)</b>	<b>(3,337)</b>	<b>204,179</b>	<b>288,211</b>	<b>(76)</b>	<b>288,135</b>
Profit and total comprehensive income for the year	-	-	-	-	27,704	27,704	4,356	32,060
Special dividend declared and paid (note 12)	-	(50,220)	-	-	-	(50,220)	-	(50,220)
<b>At 31 March 2024</b>	<b>3,720</b>	<b>82,312</b>	<b>(48,883)</b>	<b>(3,337)</b>	<b>231,883</b>	<b>265,695</b>	<b>4,280</b>	<b>269,975</b>

## Notes:

- (a) The capital reserve represents the difference between the nominal value of share capital of Nation Max Holdings Limited (“**Nation Max**”) and Double Gain Engineering Limited (“**Double Gain**”) upon insertion of Nation Max between Double Gain and its then shareholders as part of the group reorganisation on 23 January 2019.
- (b) Other reserve brought forward from prior year represents the differences between the principal amount of amounts due from Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping, both being the then shareholders of the Company, and present value of estimated future cash flows discounted at the original effective interest rate, and the differences are recognised directly in equity as deemed distributions.

# Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Note	2024 HK\$'000	2023 HK\$'000
Operating activities			
Profit before taxation		<b>37,416</b>	67,438
Adjustments for:			
Depreciation of right-of-use assets		<b>275</b>	259
Depreciation of plant and equipment		<b>1,608</b>	1,517
Increase in fair value of financial liabilities at FVTPL		<b>–</b>	(156)
(Increase) decrease in fair value of financial assets at FVTPL		<b>(355)</b>	1,222
Interest income		<b>(6,438)</b>	(1,332)
Impairment losses under expected credit loss model, net of reversal		<b>4,680</b>	(3,460)
Finance costs		<b>27</b>	14
Share of result of an associate		<b>(3,170)</b>	113
Dividend income from listed investment		<b>–</b>	(48)
Gain on disposals of plant and equipment		<b>(574)</b>	(913)
Gain on disposal of a subsidiary		<b>(67)</b>	–
Operating cash flows before movements in working capital			
(Increase) decrease in trade and other receivables		<b>(35,079)</b>	56,970
(Increase) decrease in contract assets		<b>(11,886)</b>	28,292
Increase (decrease) in trade and other payables		<b>6,434</b>	(7,763)
Increase (decrease) in contract liabilities		<b>228</b>	(5,989)
Cash (used in) generated from operations			
Income tax paid		<b>(13,437)</b>	(4,587)
Net cash (used in) from operating activities			
		<b>(20,338)</b>	131,577
Investing activities			
Proceeds from disposal of financial assets at FVTPL		<b>–</b>	12,563
Proceeds from disposal of financial liabilities at FVTPL		<b>–</b>	145
Net cash inflow from disposal of a subsidiary		<b>67</b>	–
Interest received		<b>6,438</b>	1,332
Proceeds from disposals of plant and equipment		<b>1,786</b>	922
Deposits paid for acquisition of plant and equipment		<b>–</b>	(17)
Purchase of financial assets at FVTPL		<b>–</b>	(4,304)
Purchases of plant and equipment		<b>(2,799)</b>	(1,421)
Purchase of financial liabilities at FVTPL		<b>–</b>	(26)
Dividends received		<b>–</b>	48
Repayment from (advance to) an associate		<b>2,549</b>	(3,527)
Advance to a shareholder		<b>–</b>	(10)
Acquisition of investment in an associate		<b>–</b>	(3,000)
Net cash outflow on acquisition of a subsidiary	33A	<b>–</b>	(4)
Net cash from investing activities			
		<b>8,041</b>	2,701

## Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	2024 HK\$'000	2023 HK\$'000
Financing activities		
New bank borrowings raised	–	7,425
Repayments of bank borrowings	–	(11,130)
Repayments of lease liabilities	<b>(266)</b>	(266)
Interest paid on bank borrowings	–	(8)
Interest paid on lease liabilities	<b>(27)</b>	(6)
Dividends paid	<b>(50,220)</b>	–
Net cash used in financing activities	<b>(50,513)</b>	(3,985)
Net (decrease) increase in cash and cash equivalents	<b>(62,810)</b>	130,293
Cash and cash equivalents at the beginning of the year	<b>187,934</b>	57,641
Cash and cash equivalents at the end of the year	<b>125,124</b>	187,934

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 1. General Information

Gain Plus Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 4 July 2017 and its shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 13 February 2018. On 30 December 2019, the listing of the shares of the Company has been transferred from the GEM to the Main Board of the Stock Exchange. The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” in the annual report.

The Company acts as an investment holding company and its subsidiaries are principally engaged in the provision of building construction services and repair, maintenance, addition and alteration services (“**RMAA Services**”). The Company and its subsidiaries are hereafter collectively referred to as the “Group”.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

## 2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”)

### New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and other amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

### New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 “Presentation of Financial Statements” is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 “Making Materiality Judgements” (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in Note 3 to the consolidated financial statements.

#### Application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) – Long Service Payment (“LSP”) offsetting mechanism in Hong Kong

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee’s accrued retirement benefits derived from employers’ MPF contributions was allowed under the Employment Ordinance (Cap. 57). In June 2022, the Government of the HKSAR gazette the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”) which abolishes the use of the accrued benefits derived from employers’ mandatory MPF contributions to offset severance payment and LSP (the “**Abolition**”). The Abolition will officially take effect on 1 May 2025 (the “**Transition Date**”). In addition, under the Amendment Ordinance, the last month’s salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. The Abolition with the application of the HKICPA guidance has had no material impact on the Group’s financial positions and performance.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

### Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information

### 3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis and in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.



## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Summary of material accounting policy information

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiary. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Summary of material accounting policy information (Continued)

#### **Revenue from contracts with customers**

Information about the Group's accounting policies relating to contract with customers is provided in notes 5, 20 and 23.

#### **Investments in associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate.

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Summary of material accounting policy information (Continued)

#### **Investments in associates (Continued)**

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

#### **Leases**

##### *Definition of a lease*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *The Group as a lessee*

###### *Right-of-use assets*

The cost of right-of-use assets includes the amount of the initial measurement of the lease liability.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Summary of material accounting policy information (Continued)

#### **Leases (Continued)**

##### *The Group as a lessee (Continued)*

##### *Right-of-use assets (Continued)*

Right-of-use assets are depreciated on a straight-line basis over the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

##### *Lease liabilities*

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

#### **Retirement benefit costs**

Payments to defined contribution retirement benefits schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

#### **Short-term employee benefits**

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

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

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Summary of material accounting policy information (Continued)

#### Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liabilities for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Summary of material accounting policy information (Continued)

#### **Plant and equipment**

Plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

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

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### **Impairment on plant and equipment and right-of-use assets**

At the end of the reporting period, the Group reviews the carrying amounts of its plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### **Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 “Revenue from Contracts with Customers”. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair values of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

### 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

#### 3.2 Summary of material accounting policy information (Continued)

##### Financial instruments (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

##### Financial assets

###### *Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the “other gains and losses” and the dividend earned on the financial assets is included in the “other income”.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Summary of material accounting policy information (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

*Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 “Financial Instruments”*

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables, amounts due from an associate and a shareholder and bank balances), and other item (contract assets) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these assets are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;



### 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

#### 3.2 Summary of material accounting policy information (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

*Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 "Financial Instruments" (Continued)*

- (i) Significant increase in credit risk (Continued)
- an actual or expected significant deterioration in the operating results of the debtor.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

- (ii) Definition of default
- For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

- (iii) Credit-impaired financial assets
- A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- (a) significant financial difficulty of the issuer or the borrower;
  - (b) a breach of contract, such as a default or past due event;
  - (c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Summary of material accounting policy information (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

*Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 "Financial Instruments" (Continued)*

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss for all financial instruments by adjusting their carrying amounts, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

##### Financial liabilities and equity instruments

###### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

###### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a group entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

## 3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

### 3.2 Summary of material accounting policy information (Continued)

#### Financial instruments (Continued)

##### *Financial liabilities and equity instruments (Continued)*

##### *Financial liabilities*

Financial liabilities (including trade and retention payables) are subsequently measured at amortised cost using the effective interest method.

##### *Derecognition*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## 4. Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 4. Key Sources of Estimation Uncertainty (Continued)

### Measurement of value of construction works

The management measures the value of completed construction work based on output method, which is to recognise revenue on the basis of direct measurement of the value of construction work transferred to the customer to date relative to the remaining construction works promised to be completed under the construction contract. Management estimates the contract sum and budgeted costs at the commencement of the construction contracts and regularly assesses the progress of construction works. The Group has the qualified surveyors to periodically measure the value of the construction work completed for each construction project and issue the internal construction progress reports. The construction works performed by the Group would also be certified by the independent quantity surveyors periodically according to the construction contracts. The Group regularly reviews and revises the estimation of contract revenue prepared for each construction contract as the contract progresses based on the internal construction progress reports and the certification issued by the independent quantity surveyors. As disclosed in notes 5 and 20, the revenue recognised from construction contracts was HK\$1,150,954,000 (2023: HK\$1,210,108,000) for the year, and the carrying amount of contract assets was HK\$77,044,000 (2023: HK\$67,938,000), respectively.

### Provision of ECL for trade receivables and contract assets

Trade receivables and contract assets are assessed for ECL individually and the estimated loss rates are determined based on internal credit ratings, past due status and repayment history of respective trade receivables and contract assets taking into consideration forward-looking information that is reasonable and supportable, that is available without undue cost or effort.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in notes 18, 20 and 30 respectively.

## 5. Revenue

### (i) Disaggregation of revenue from contracts with customers

	2024 HK\$'000	2023 HK\$'000
<b>Types of services</b>		
Provision of building construction services	294,726	85,131
Provision of RMAA Services	856,228	1,124,977
Total	1,150,954	1,210,108
<b>Timing of revenue recognition</b>		
Over time	1,150,954	1,210,108

## 5. Revenue (Continued)

### (ii) Performance obligations for contracts with customers

#### Construction services

The Group provides construction services, including building construction services and RMAA Services to customers. 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 Group performs. Revenue is recognised for these construction services based on the stage of completion of the contract using output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of services.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones or the value of construction work as agreed with the customers. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers the contract assets to trade receivables when the Group obtained the certification of the completed construction work from the customers.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from 3 months to 2 years (2023: 3 months to 2 years) from the date of the practical completion of the construction. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed upon specifications and such assurance cannot be purchased separately.

For contracts that contain variable consideration (variation order of construction work), the Group estimates the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

### (iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) of building construction services and RMAA Services as at 31 March 2024 amounting to HK\$439,376,000 and HK\$1,060,194,000 (2023: HK\$326,841,000 and HK\$1,082,105,000), respectively. Management expects that all the remaining performance obligations will be recognised as revenue over 1 to 3 years (2023: 1 to 3 years) from the end of the reporting period.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 6. Segment Information

The Group focuses primarily on the provision of building construction services and RMAA Services in Hong Kong. The operation of the Group constitutes one single operating and reportable segment. The management of the Group, being the chief operating decision maker of the Group, reviews the revenue and operating results of the Group as a whole which is prepared based on the same accounting policies to make decisions about resource allocation and performance assessment and accordingly no separate segment information is prepared other than entity-wide disclosure.

The Group's revenue from external customers was derived solely from its operations in Hong Kong during both years, and the non-current assets of the Group were all located in Hong Kong as at 31 March 2024 and 2023.

### Information about major customers

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

	2024 HK\$'000	2023 HK\$'000
Customer A	921,605	511,449
Customer B	122,702	534,314

## 7. Other Income, Other Gains and Losses

	2024 HK\$'000	2023 HK\$'000
Other income:		
Investment interest income	-	53
Other interest income (note)	243	-
Handling income	23	82
Management fee income	950	-
Subsidies from Employment Support Scheme	-	1,073
Bank interest income	6,195	1,279
Dividends from financial asset at FVTPL	-	48
	<b>7,411</b>	2,535
Other gains and losses:		
Increase in fair value of financial liabilities at FVTPL	-	156
Increase (decrease) in fair value of financial assets at FVTPL	355	(1,222)
Gain on disposals of plant and equipment	574	913
Others	464	105
	<b>1,393</b>	(48)
Total other income, other gains and losses	<b>8,804</b>	2,487

Note: The other interest income arises from the amount due from an associate which is interest bearing at 5% per annum, unsecured and repayable on demand.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 8. Impairment Losses Under Expected Credit Loss Model, Net of Reversal

	2024 HK\$'000	2023 HK\$'000
Impairment losses recognised (reversed) on:		
Trade receivables	1,900	(2,193)
Contract assets	2,780	(1,267)
	<b>4,680</b>	<b>(3,460)</b>

Details of impairment assessment for the year ended 31 March 2024 are set out in note 30.

## 9. Finance Costs

	2024 HK\$'000	2023 HK\$'000
Interest on bank borrowings	–	8
Interest on lease liabilities	27	6
	<b>27</b>	<b>14</b>

## 10. Income Tax Expense

	2024 HK\$'000	2023 HK\$'000
The income tax expense comprises:		
Hong Kong Profits Tax:		
Current tax	6,076	10,781
Overprovision in prior year	–	(504)
	<b>6,076</b>	<b>10,277</b>
Deferred tax (note 24)	<b>(720)</b>	475
	<b>5,356</b>	<b>10,752</b>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, 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%. Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 10. Income Tax Expense (Continued)

The income tax expense for the year can be reconciled to the profit before taxation in the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 HK\$'000	2023 HK\$'000
Profit before taxation	<b>37,416</b>	67,438
Income tax expense at Hong Kong Profits Tax rate of 16.5% (2023: 16.5%)	<b>6,174</b>	11,127
Tax effect of income not taxable for tax purpose	<b>(1,187)</b>	(556)
Tax effect of expenses not deductible for tax purpose	<b>381</b>	594
Income tax at concessionary rate	<b>(165)</b>	(165)
Overprovision in prior year	–	(504)
Others	<b>153</b>	256
Income tax expense	<b>5,356</b>	10,752

## 11. Profit for the Year

	2024 HK\$'000	2023 HK\$'000
Profit for the year is arrived at after charging:		
Staff costs		
Total staff costs (including directors' emoluments (note 13))	<b>61,952</b>	55,771
Auditor's remuneration – audit services	<b>1,275</b>	1,275
Depreciation of plant and equipment	<b>1,608</b>	1,517
Depreciation of right-of-use assets	<b>275</b>	259



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 12. Dividends

### Dividends approved and paid during the year

	2024 HK\$'000
Special dividend of HK\$0.135 (2023: Nil) per share	50,220

Special dividend of HK\$0.135 (2023: Nil) per share for the year to shareholders whose names appear on the register of members on 30 January 2024 was proposed by the directors on 17 January 2024 and subsequently paid through share premium on 6 February 2024.

## 13. Directors' and Chief Executive's Emoluments and Employees' Emoluments

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

Details of the emoluments paid or payable by the Group, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance were as follows:

Name of director	Year ended 31 March 2024				Total HK\$'000
	Fees HK\$'000	Salaries and other allowances HK\$'000	Discretionary bonus HK\$'000	Retirement benefit scheme contributions HK\$'000	
<b>Executive directors:</b>					
Mr. Tsang Chiu Kwan (Note 1)	-	3,144	15,080	18	18,242
Mr. Lau Ka Ho	-	540	-	18	558
Subtotal	-	3,684	15,080	36	18,800

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

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 13. Directors' and Chief Executive's Emoluments and Employees' Emoluments (Continued)

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

Name of director	Year ended 31 March 2024				Total HK\$'000
	Fees HK\$'000	Salaries and other allowances HK\$'000	Discretionary bonus HK\$'000	Retirement benefit scheme contributions HK\$'000	
<b>Independent non-executive directors:</b>					
Mr. So Chun Man	168	-	-	-	168
Mr. Chen Yeung Tak	168	-	-	-	168
Mr. Chung Dan (Note 2)	3	-	-	-	3
Mr. Wong Max Aaron (Note 3)	68	-	-	-	68
Mr. Lai Ming Ho (Note 4)	82	-	-	-	82
Subtotal	489	-	-	-	489
Total	489	3,684	15,080	36	19,289

The independent directors' emoluments shown above were for their services as directors of the Company.

Name of director	Year ended 31 March 2023				Total HK\$'000
	Fees HK\$'000	Salaries and other allowances HK\$'000	Discretionary bonus HK\$'000	Retirement benefit scheme contributions HK\$'000	
<b>Executive directors:</b>					
Mr. Tsang Chiu Kwan (Note 1)	-	2,379	9,080	18	11,477
Mr. Lau Ka Ho	-	540	-	18	558
Subtotal	-	2,919	9,080	36	12,035

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

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 13. Directors' and Chief Executive's Emoluments and Employees' Emoluments (Continued)

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

Name of director	Year ended 31 March 2023				Total HK\$'000
	Fees HK\$'000	Salaries and other allowances HK\$'000	Discretionary bonus HK\$'000	Retirement benefit scheme contributions HK\$'000	
<b>Independent non-executive directors:</b>					
Mr. So Chun Man	168	–	–	–	168
Mr. Chen Yeung Tak	168	–	–	–	168
Mr. Chung Dan	168	–	–	–	168
Subtotal	504	–	–	–	504
Total	504	2,919	9,080	36	12,539

The independent directors' emoluments shown above were for their services as directors of the Company.

Notes:

1. Mr. Tsang Chiu Kwan is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.
2. Mr. Chung Dan was appointed as director on 13 January 2022 and deceased on 7 April 2023.
3. Mr. Wong Max Aaron was appointed as director on 12 May 2023 and resigned on 6 October 2023.
4. Mr. Lai Ming Ho was appointed as director on 6 October 2023.

The bonus was discretionary as determined with reference to performance of individuals and market trends.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 13. Directors' and Chief Executive's Emoluments and Employees' Emoluments (Continued)

### (b) Employees' emoluments

The five highest paid individuals of the Group during the year ended 31 March 2024 include one (2023: one) director, details of whose emoluments are set out above. Details of the remaining four (2023: four) highest paid individuals for the year ended 31 March 2024 are as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries and other allowances	2,187	1,941
Discretionary bonus	1,510	1,525
Retirement benefit scheme contributions	72	68
	<b>3,769</b>	3,534

The emoluments of the highest paid employees who are not directors of the Company were within the following bands:

	2024 No. of individuals	2023 No. of individuals
Nil to HK\$1,000,000	3	3
HK\$1,000,001 to HK\$1,500,000	1	1

During both years, no emoluments were paid by the Group to any of the directors or chief executive or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

## 14. Earnings Per Share

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

	2024 HK\$'000	2023 HK\$'000
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	<b>27,704</b>	56,758

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 14. Earnings Per Share (Continued)

	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>372,000</b>	372,000

Diluted earnings per share are not presented as there were no potential ordinary shares in issue during both years.

## 15. Plant and Equipment

	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
<b>COST</b>					
At 1 April 2022	207	1,272	602	6,837	8,918
Additions	–	–	338	1,083	1,421
Disposals/written-off	–	–	(462)	(1,219)	(1,681)
At 31 March 2023	207	1,272	478	6,701	8,658
Additions	–	–	2	2,814	2,816
Disposals/written-off	–	–	–	(3,133)	(3,133)
At 31 March 2024	207	1,272	480	6,382	8,341
<b>DEPRECIATION</b>					
At 1 April 2022	196	954	586	4,442	6,178
Provided for the year	9	254	31	1,223	1,517
Eliminated on disposals/written-off	–	–	(462)	(1,210)	(1,672)
At 31 March 2023	205	1,208	155	4,455	6,023
Provided for the year	2	51	71	1,484	1,608
Eliminated on disposals/written-off	–	–	–	(1,921)	(1,921)
At 31 March 2024	207	1,259	226	4,018	5,710
<b>CARRYING VALUES</b>					
At 31 March 2024	–	13	254	2,364	2,631
At 31 March 2023	2	64	323	2,246	2,635

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 15. Plant and Equipment (Continued)

Depreciation is provided to write off the cost of items of plant and equipment over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method, at the following rates per annum:

Leasehold improvements	50% or the term of the lease, whichever is shorter
Plant and machinery	20%
Furniture, fixtures and equipment	20%
Motor vehicles	30%

## 16. Right-Of-Use Assets

	<b>Leased property</b>	
	HK\$'000	
<b>As at 31 March 2024</b>		
Carrying amount		275
<b>As at 31 March 2023</b>		
Carrying amount		–
<b>For the year ended 31 March 2024</b>		
Depreciation charge		275
<b>For the year ended 31 March 2023</b>		
Depreciation charge		259
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Total cash outflow for leases	<b>293</b>	272
Additions to right-of-use assets	<b>550</b>	–

For both years, the Group leases office for its operations. Lease contract for office is entered into for fixed term of 2 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 17. Interest in an Associate

	2024 HK\$'000	2023 HK\$'000
Cost of investment in an associate	3,000	3,000
Share of post-acquisition profit (loss) and other comprehensive income (expense)	3,057	(113)
	<b>6,057</b>	2,887

The Group's sole associate at the end of the reporting period is Skyway Construction Engineering Limited ("**Skyway Construction**"). Skyway Construction is accounted for using the equity method in these consolidated financial statements.

Details of the Group's associate as at 31 March 2024 are as follows:

Name of company	Place of incorporation	Registered capital	Percentage of ownership interests attributable to the		Principal activity
			Group as at 31 March 2024	2023	
Skyway Construction	Hong Kong	HK\$1,000,000	30%	30%	Provision of building construct services and RMAA services

Summarised financial information in respect of Skyway Construction is set out below for the year ended 31 March 2024. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with the accounting policies of the Group.

### Skyway Construction

	Year ended 31 March 2024 HK\$'000	Year ended 31 March 2023 HK\$'000
Revenue	<b>220,241</b>	352
Profit (loss) and total comprehensive income (expense) for the year, attributable to the equity holders of the associate	<b>10,569</b>	(313)

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 17. Interest in an Associate (Continued)

### Skyway Construction (Continued)

	<b>As at 31 March 2024 HK\$'000</b>	As at 31 March 2023 HK\$'000
Non-current assets	985	256
Current assets	29,985	4,316
Current liabilities	(19,725)	(3,898)
Net assets of the associate	<b>11,245</b>	674
Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:		
Net assets of Skyway Construction	<b>11,245</b>	674
Proportion of the Group's interest in the associate	<b>30%</b>	30%
Net assets attributable to the Group's interests in the associate	<b>3,373</b>	203
Goodwill	<b>2,684</b>	2,684
Carrying amount of the Group's interest in Skyway Construction	<b>6,057</b>	2,887

## 18. Trade and Other Receivables

	<b>2024 HK\$'000</b>	2023 HK\$'000
Trade receivables	<b>103,839</b>	58,630
Less: Allowance for credit losses	<b>(2,343)</b>	(443)
	<b>101,496</b>	58,187
Prepayments to subcontractors	<b>7,603</b>	18,392
Other receivables and prepayments (note)	<b>11,910</b>	11,251
Total trade and other receivables	<b>121,009</b>	87,830

As at 1 April 2022, trade receivables from contracts with customers amounted to HK\$94,266,000.

Note: As at 31 March 2024, included in other receivables and prepayments mainly represent the surety bond paid to a main contractor amounting to HK\$10,100,000 (2023: HK\$10,100,000).



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 18. Trade and Other Receivables (Continued)

### Trade receivables

Trade receivables represent amounts receivable for works certified after deduction of retention money.

The Group allows a credit period of 30 days to its customers. The extension of credit period to customers may be granted on a discretionary basis by considering the credit worthiness, the customers' financial condition and payment history with the Group. The following is an aged analysis of trade receivables presented based on the date of works certified at the end of the reporting period, net of allowance for credit losses.

	2024 HK\$'000	2023 HK\$'000
1 – 30 days	74,617	34,993
31 – 60 days	27,166	18,362
61 – 90 days	–	–
Over 90 days	2,056	5,275
	<b>103,839</b>	58,630
Less: Allowance for credit losses	<b>(2,343)</b>	(443)
	<b>101,496</b>	58,187

As at 31 March 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$27,807,000 (2023: HK\$23,358,000) which are past due as at the reporting date. Out of the past due balances, HK\$1,329,000 (2023: HK\$5,188,000) has been past due 90 days or more and is not considered as in default since the Group is still engaging with those corresponding debtors in active projects or the Group considers good cooperation relationships with these debtors exist and with good repayment record. The Group does not hold any collateral over these balances.

Details of impairment assessment are set out in note 30.

## 19. Financial Assets at Fair Value Through Profit or Loss

	2024 HK\$'000	2023 HK\$'000
Unlisted fund investments (note)	14,998	14,643
	<b>14,998</b>	14,643

Note: The unlisted fund investments are measured at fair value with reference to net asset values of it provided by the fund managers.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 20. Contract Assets

	2024 HK\$'000	2023 HK\$'000
Analysed as current:		
Retention receivables of construction contracts (note a)	23,868	10,413
Unbilled revenue of construction contracts (note b)	61,101	62,670
	84,969	73,083
Less: Allowance for credit losses	(7,925)	(5,145)
	77,044	67,938

As at 1 April 2022, contract assets amounted to HK\$94,963,000.

Notes:

- (a) Retention receivables included in contract assets represent the Group's right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group. As at 31 March 2024, the due dates for retention receivables are one to two years (2023: one to two years) after the completion of construction work.
- (b) Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

Contract assets, that are expected to be settled within the Group's normal operating cycle, are classified as current based on expected settlement dates.

Details of the impairment assessment are set out in note 30.

## 21. Bank Balances and Deposits

As at 31 March 2024, bank balances and short-term bank deposit with an original maturity of three months or less carried interest at prevailing market interest rates which were ranging from 0.01% to 5.24% (2023: 0.01% to 3.56%) per annum.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 22. Trade and Other Payables

Trade and other payables at the end of the reporting period comprise amounts outstanding for trade purposes and daily operating costs. The average credit period on trade purchase is 30 to 60 days.

	2024 HK\$'000	2023 HK\$'000
Trade payables	59,557	45,547
Retention payables	3,642	3,912
Accruals	5,762	13,068
<b>Total trade and other payables</b>	<b>68,961</b>	<b>62,527</b>

The following is an aged analysis of trade payables presented based on the invoice dates at the end of the reporting period:

	2024 HK\$'000	2023 HK\$'000
1 – 30 days	44,825	32,694
31 – 60 days	1,423	4,830
61 – 90 days	1,798	1,795
Over 90 days	11,511	6,228
	<b>59,557</b>	<b>45,547</b>

Retention payables represent the retention money withheld from the amounts payable for work performed by the subcontractors. 50% of the retention money is normally due upon completion of respective project and the remaining 50% portion is due upon the end of the defect liability period of individual contracts, ranging from 3 months to 2 years from the date of the completion of respective project. The amount is unsecured, interest-free and repayable at the end of the defective liability period of respective contract which is within the Group's normal operating cycle.

## 23. Contract Liabilities

	2024 HK\$'000	2023 HK\$'000
Advances from customers of construction contracts	12,454	12,226

As at 1 April 2022, contract liabilities amounted to HK\$18,215,000.

Contract liabilities of the Group, which are expected to be settled within the Group's normal operating cycle, are classified as current.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 23. Contract Liabilities (Continued)

Revenue from construction contracts recognised during the year ended 31 March 2024 that was included in the contract liabilities at the beginning of the year was HK\$Nil (2023: HK\$5,989,000).

Typical payment term which impact on the amount of contract liabilities recognised are as follows:

### Construction contracts

When the Group receives advances from customers before the construction commences, this will give rise to contract liabilities, until the revenue recognised on the relevant contract exceeds the amount of the advances from customers. Advances from customers of construction contracts are net-off with the invoiced revenue amounts and normally recognised as revenue according to the schedules of construction contracts.

## 24. Deferred Taxation

For the purpose of presentation in the consolidated statement of financial position, deferred tax assets and liabilities have been offset. The followings are the deferred tax assets and liabilities recognised by the Group and movements thereon during each reporting period:

	<b>Impairment on trade receivables and contract assets</b>	<b>Accelerated tax depreciation</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022	1,493	(204)	1,289
(Charge) credit to profit or loss (note 10)	(571)	96	(475)
At 31 March 2023	922	(108)	814
Credit (charge) to profit or loss (note 10)	772	(52)	720
At 31 March 2024	1,694	(160)	1,534

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 25. Lease Liabilities

	2024 HK\$'000	2023 HK\$'000
Lease liabilities payable:		
Within one year	280	–
Within a period of more than one year but not more than two years	4	–
	<b>284</b>	–
Less: Amount due for settlement with 12 months shown under current liabilities	<b>(280)</b>	–
Amount due for settlement after 12 months shown under non-current liability	<b>4</b>	–

The weighted average incremental borrowing rates applied to lease liabilities was 6.75% for the year ended 31 March 2024.

## 26. Share Capital

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2022 and 31 March 2023 and 2024	780,000,000	7,800
Issued and fully paid:		
At 1 April 2022 and 31 March 2023 and 2024	372,000,000	3,720

## 27. Retirement Benefit Plans

The Group participates in a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme.

The retirement benefit scheme contributions arising from the MPF Scheme charged to profit or loss for the year ended 31 March 2024 is HK\$1,387,000 (2023: HK\$1,411,000), which represent contributions payable to the funds by the Group at rates specified in the rules of the scheme.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 28. Capital Commitments

	2024 HK\$'000	2023 HK\$'000
Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the consolidated financial statements	-	568

## 29. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes lease liabilities, net of cash and cash equivalents and equity comprising issued share capital and reserves.

The management of the Group reviews the capital structure on a continuous basis. As part of this review, the management of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through payment of dividends, issue of new shares as well as issue of new debts or redemption of existing debts.

## 30. Financial Instruments

### Categories of financial instruments

	2024 HK\$'000	2023 HK\$'000
<b>Financial assets</b>		
Amortised cost	239,188	260,628
Fair value	14,998	14,643
<b>Financial liabilities</b>		
Amortised cost	63,199	49,459

### Financial risk management objectives and policies

The Group's financial instruments include trade and other receivables, financial assets at FVTPL, bank balances, trade and retention payables and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

## 30. Financial Instruments (Continued)

### Financial risk management objectives and policies (Continued)

#### Market risk

##### (i) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable rate bank balances (note 21). The Group is also exposed to fair value interest rate risk in relation to fixed-rate short-term bank deposits (note 21) and fixed-rate lease liabilities (note 25). The Group currently does not have an interest rate hedging policy. The directors of the Company considered the Group's exposure to interest rate risk is not significant.

##### (ii) Other price risk

The Group is exposed to equity price risk through its investments in financial assets at FVTPL.

##### *Other price sensitivity analysis*

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If the prices of the respective equity instruments had been 5% higher/lower while all other variables were held constant, the post-tax profit for the year ended 31 March 2024 would increase/decrease by HK\$626,000 as a result of the changes in fair value of financial assets at FVTPL.

#### Credit risk and impairment assessment

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

##### *Trade receivables and contract assets arising from contracts with customers*

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances individually. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group is exposed to concentration of credit risk as at 31 March 2024 on trade receivables and contract assets (2023: trade receivables and contract assets) from the Group's three major customers amounting to HK\$158,303,000 (2023: HK\$104,756,000) and accounted for 89% (2023: 83%) of the Group's total trade receivables and contract assets. In the opinion of the management of the Group, the major customers of the Group are certain reputable organisations in the market with good settlement history. The management of the Group considers that the credit risk is limited in this regard.

##### *Other receivables, amounts due from an associate and a shareholder*

The management of the Group regularly reviews and assesses the credit quality of the counterparties. The Group uses 12m ECL to assess the loss allowance of other receivables, amounts due from an associate and a shareholder 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.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 30. Financial Instruments (Continued)

### Financial risk management objectives and policies (Continued)

#### Credit risk and impairment assessment (Continued)

##### Bank balances

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

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

Internal credit rating	Description	Trade receivables/ 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
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12-month ECL
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



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 30. Financial Instruments (Continued)

### Financial risk management objectives and policies (Continued)

#### Credit risk and impairment assessment (Continued)

The table below details the credit risk exposures of the Group's financial assets at amortised cost and contract assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
					2024 HK\$'000	2023 HK\$'000
<b>Financial assets at amortised cost</b>						
Trade receivables	18	N/A	(Note)	Lifetime ECL (not credit-impaired)	<b>103,163</b>	58,630
			(Note)	Lifetime ECL (credit-impaired)	<b>676</b>	–
Other receivables	18	N/A	Low risk	12m ECL (not credit-impaired)	<b>11,580</b>	10,970
Amount due from an associate	N/A	N/A	Low risk	12m ECL (not credit-impaired)	<b>978</b>	3,527
Amount due from shareholder	N/A	N/A	Low risk	12m ECL (not credit-impaired)	<b>10</b>	10
Bank balances	21	Aa3/A (2023: Aa3/A)	N/A	12m ECL (not credit-impaired)	<b>125,124</b>	187,934
<b>Other item:</b>						
Contract assets	20	N/A	(Note)	Lifetime ECL (not credit-impaired)	<b>84,969</b>	73,083

Note: For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Trade receivables and contract assets are assessed individually based on internal credit rating.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 30. Financial Instruments (Continued)

### Financial risk management objectives and policies (Continued)

#### Credit risk and impairment assessment (Continued)

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information and exposure to credit risk for trade receivables and contract assets.

Internal credit rating	2024		2023	
	Trade receivables HK\$'000	Contract assets HK\$'000	Trade receivables HK\$'000	Contract assets HK\$'000
Low risk	15,912	11,146	6,728	2,542
Watch list	87,212	62,888	48,922	67,660
Doubtful	39	10,935	2,980	2,881
Loss	676	–	–	–
	<b>103,839</b>	<b>84,969</b>	58,630	73,083

The estimated loss rates are determined based on internal credit ratings, past due status and repayment history of respective trade receivables and contract assets taking into consideration forward-looking information that is reasonable and supportable, that is available without undue cost or effort. Management performs review regularly to ensure relevant information about specific debtors is updated. During the year ended 31 March 2024, the expected credit loss rates for not credit-impaired trade receivables and contract assets are ranging from 1.24% to 20.66% (2023: 0.47% to 20.43%).

During the year ended 31 March 2024, the Group provided HK\$1,900,000 (2023: reversed HK\$2,193,000) and provided HK\$2,780,000 (2023: reversed HK\$1,267,000) impairment allowance for trade receivables and contract assets respectively.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach.

	Trade receivables (not credit-impaired) HK\$'000	Trade receivables (credit-impaired) HK\$'000	Contract assets (not credit-impaired) HK\$'000	Total HK\$'000
At 1 April 2022	1,698	938	6,412	9,048
Impairment loss recognised	443	–	5,145	5,588
Impairment loss reversed	(1,698)	(938)	(6,412)	(9,048)
At 31 March 2023	443	–	5,145	5,588
Impairment loss recognised	2,343	–	7,925	10,268
Impairment loss reversed	(443)	–	(5,145)	(5,588)
Transfer to credit-impaired	(676)	676	–	–
At 31 March 2024	1,667	676	7,925	10,268

**30. Financial Instruments (Continued)****Financial risk management objectives and policies (Continued)****Credit risk and impairment assessment (Continued)**

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

**Liquidity risk**

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group believes that the Group will have sufficient working capital for its future operational requirement.

The following tables detail 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 non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interests and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from contracted interest rate curve at the end of the reporting period.

	Weighted average interest rate %	On demand or less than 1 year HK\$'000	More than 1 year but less than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
<b>At 31 March 2024</b>					
Trade and retention payables	–	61,669	1,530	63,199	63,199
Lease liabilities	6.75	269	24	293	284
		61,938	1,554	63,492	63,483
<b>At 31 March 2023</b>					
Trade and retention payables		–	49,459	49,459	49,459
			49,459	49,459	49,459

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 30. Financial Instruments (Continued)

### Fair value measurements of financial instruments

#### a. Fair value of the Group's financial assets that are measured at fair value on a recurring basis

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at		Fair value hierarchy	Valuation technique and key input
	31 March 2024 HK\$'000	31 March 2023 HK\$'000		
<b>Financial assets at FVTPL</b>				
Unlisted fund investments	14,998	14,643	Level 3	Inputs obtained from broker quotes that are indicative and not corroborated with observable market data

In accounting for the fair value measurement of the unlisted fund investments, the management of the Group has determined that the reported net asset values of unlisted fund investments provided by the fund managers represent the fair value of the unlisted private equity funds.

The underlying investments were measured using a valuation technique with significant unobservable inputs and hence were classified as Level 3 of the fair value hierarchy. The higher the reported net asset values of the unlisted fund investments are, the higher the fair value of the unlisted fund investments is.

## 30. Financial Instruments (Continued)

### Fair value measurements of financial instruments (Continued)

#### b. Reconciliation of Level 3 fair value measurements of financial assets

	HK\$'000
<i>Unlisted fund investments</i>	
At 1 April 2023	14,643
Total gain:	
– In profit or loss	355
At 31 March 2024	14,998

Note: The gain arising from the remeasurement are presented in the “other income, other gains and losses” line item in the consolidated statement of profit or loss and other comprehensive income.

The fair values of financial assets and financial liabilities recorded at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

## 31. Reconciliation of Liabilities Arising From Financing Activities

The table below details changes in the Group’s liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s consolidated statement of cash flows from financing activities.

	Dividend payable HK\$'000	Bank borrowings HK\$'000	Lease liabilities HK\$'000 (Note 25)	Total HK\$'000
At 1 April 2022	–	3,705	266	3,971
Interest accrued	–	8	6	14
Financing cash flows	–	(3,713)	(272)	(3,985)
At 31 March 2023	–	–	–	–
Dividend declared	50,220	–	–	50,220
Interest accrued	–	–	27	27
New lease entered	–	–	550	550
Financing cash flows	(50,220)	–	(293)	(50,513)
At 31 March 2024	–	–	284	284

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 32. Related Party Transactions

Other than those disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties during the year:

### (i) Transactions

	2024 HK\$'000	2023 HK\$'000
Purchases of materials from: Victor Link Trading Limited (note a)	N/A	64

Notes:

- (a) The Group's related party transactions were carried out in accordance with the terms and conditions mutually agreed by the contracting parties. Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping are the common directors and ultimate controlling parties of Victor Link Trading Limited, which is no longer a related party to the Group when Mr. Tsang Chiu Kwan ceased as controlling party of Victor Link Trading Limited on 13 October 2022, Mr. Tsang Man Ping resigned as an executive Director of the Company on 30 June 2021.

### (ii) Compensation of key management personnel

The remuneration of key management personnel (including the directors of the Company) of the Group during the year is as follows:

	2024 HK\$'000	2023 HK\$'000
Fee	489	504
Salaries and other allowances	19,813	13,426
Retirement benefit scheme contributions	39	51
	<b>20,341</b>	13,981

The remuneration of key management personnel is determined with regard to the performance of individuals and market trends.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 33. Particular of Subsidiaries

At 31 March 2024, the Company has direct and indirect equity interests in the following subsidiaries:

Name of subsidiaries	Place of incorporation/ operation	Kind of legal entity	Issued and fully paid capital	Equity interest attributable to the Company as at 31 March		Principal activities
				2024	2023	
<i>Directly held</i>						
Brilliant Outstanding Investments Limited	British Virgin Islands ("BVI")	Limited liability company	United States dollar ("US\$")1	100%	100%	Dormant
Gain Large limited	BVI	Limited liability company	US\$1	100%	100%	Investments holding
Nation Max	BVI/Hong Kong	Limited liability company	US\$10,000	100%	100%	Investment holding
<i>Indirectly held</i>						
Auto Earning Limited	BVI	Limited liability company	US\$10,000	100%	100%	Fund and securities investment
Double Gain	Hong Kong	Limited liability company	HK\$20,010,000	100%	100%	Provision of building construction services and RMAA services
Golden Leasing Limited	Hong Kong	Limited liability company	HK\$10,000	-	100%	Money lending
Hyper Data Asia Limited	Hong Kong	Limited liability company	HK\$1	100%	100%	Provision of trust or company services
Double Gain Construction Limited (" <b>Double Gain Construction</b> ")	Hong Kong	Limited liability company	HK\$10,000	51%	51% (note)	Provision of building construction services and RMAA services

Note: 51% shares of Double Gain Construction were acquired by Double Gain from an independent third party on 2 December 2022.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 33. Particular of Subsidiaries (Continued)

### Details of non-wholly owned subsidiary that has material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	Place of establishment and principal place of operation	Proportion of ownership interest held by non-controlling interests		Profit (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		31/03/2024	31/03/2023	31/03/2024 HK\$'000	31/03/2023 HK\$'000	31/03/2024 HK\$'000	31/03/2023 HK\$'000
Double Gain Construction	Hong Kong	49%	49%	4,356	(72)	4,280	(76)

Summarised financial information in respect of Double Gain Construction is set out below. The summarised financial information below represents amounts before intragroup eliminations.

### Double Gain Construction

	2024 HK\$'000	2023 HK\$'000
Current assets	20,944	10
Non-current assets	1,067	830
Current liabilities	(13,275)	(995)
Total equity (deficit)	8,736	(155)
Equity attributable to owners of the Company	4,456	(79)
Non-controlling interests of Double Gain Construction	4,280	(76)
	2024 HK\$'000	2023 HK\$'000
Revenue	188,585	–
Expenses	(179,694)	(148)
Profit (loss) and total comprehensive income (expense) for the year	8,891	(148)
Profit (loss) and total comprehensive income (expense) attributable to owners of the Company	4,535	(76)
Profit (loss) and total comprehensive income (expense) attributable to non-controlling interests of Double Gain Construction	4,356	(72)
Net cash inflow/(outflow) from operating activities	231	(66)
Net cash outflow from investing activities	(499)	(906)
Net cash inflow from financing activities	846	972
Net cash inflow	578	–

None of the subsidiaries had issued any debt securities at the end of the year.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 33A. Acquisition of Subsidiaries

On 2 December 2022, the Group entered into a sale and purchase agreement with an independent third party for the Group's acquisition of 51% of the issued share capital of Double Gain Construction for an aggregate consideration of HK\$4,000.

The net liabilities acquired at the date of acquisition were as follows:

	<b>2 December 2022</b>
	HK\$'000
Amount due from a shareholder	10
Amount due to a related party	(18)
Net liabilities	(8)
Shareholding acquired	51%
Net liabilities of Double Gain Construction attributable to the Group	(4)
Cash outflow on acquisition:	
Consideration paid	(4)

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 34. Statement of Financial Position and Reserves of the Company

	2024 HK\$'000	2023 HK\$'000
Non-current asset		
Investments in subsidiaries	<b>68,972</b>	68,972
Current assets		
Prepayments	<b>180</b>	121
Amounts due from subsidiaries	<b>15,467</b>	15,098
Bank balances and deposits	<b>27,131</b>	50,922
	<b>42,778</b>	66,141
Current liabilities		
Amounts due to subsidiaries	<b>28,458</b>	1,778
Accruals	<b>577</b>	633
	<b>29,035</b>	2,411
Net current assets	<b>13,743</b>	63,730
Net assets	<b>82,715</b>	132,702
Capital and reserves		
Share capital	<b>3,720</b>	3,720
Reserves	<b>78,995</b>	128,982
Total equity	<b>82,715</b>	132,702

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

## 34. Statement of Financial Position and Reserves of the Company (Continued)

Movement of the reserves of the Company is as follows:

	<b>Share premium</b> HK\$'000	<b>Accumulated losses</b> HK\$'000	<b>Total</b> HK\$'000
At 1 April 2022	132,532	(40,988)	91,544
Profit and total comprehensive income for the year	–	37,438	37,438
At 31 March 2023	132,532	(3,550)	128,982
Profit and total comprehensive income for the year	–	233	233
Special dividend declared and paid	(50,220)	–	(50,220)
At 31 March 2024	82,312	(3,317)	78,995

# Financial Summary

## Results

	2024 HK\$'000	For the year ended 31 March			
		2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Revenue	<b>1,150,954</b>	1,210,108	1,063,898	951,249	932,763
Profit for the year attributable to owners of the Company	<b>32,060</b>	56,686	13,322	34,072	24,499

## Assets and Liabilities

	2024 HK\$'000	At 31 March			
		2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Total assets	<b>351,674</b>	368,235	323,966	293,972	287,554
Total liabilities	<b>(81,699)</b>	(80,100)	(92,513)	(75,841)	(103,495)
Total equity	<b>269,975</b>	288,135	231,453	218,131	184,059