Silver Tide Holdings Limited

銀濤控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1943

ANNUAL REPORT 2024

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive Directors:

Mr. Wang Jianfeng
(Chairman and Chief Executive Officer)

Non-executive Directors:

Mr. Cai Huihui
Ms. Liu Jingna
Mr. Ruan Dongdong

Independent Non-executive Directors:

Mr. Wang Wenxing
Mr. Xu Da *(resigned on 13 December 2023)*
Ms. Florence Ng
Mr. An Wen Long *(appointed on 13 December 2023)*

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

Office Floor 29
Queen's Road Centre
152 Queen's Road Central
Hong Kong

COMPANY'S WEBSITE

www.silvertide.hk

COMPANY SECRETARY

Ms. Chow Hoi Fei *(Certified Public Accountant)*

AUTHORISED REPRESENTATIVES

Ms. Lo Man Kwan
Ms. Chow Hoi Fei *(Certified Public Accountant)*

AUDIT COMMITTEE

Mr. Wang Wenxing (*Chairman)*
Mr. Cai Huihui
Ms. Florence Ng

NOMINATION COMMITTEE

Mr. Wang Jianfeng *(Chairman)*
Mr. Wang Wenxing
Mr. Xu Da *(resigned on 13 December 2023)*
Mr. An Wen Long *(appointed on 13 December 2023)*

REMUNERATION COMMITTEE

Mr. Xu Da *(Chairman)*
(resigned on 13 December 2023)
Mr. An Wen Long *(Chairman)*
(appointed on 13 December 2023)
Mr. Cai Huihui
Ms. Florence Ng

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Island

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21st Floor
148 Electric Road
North Point
Hong Kong

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
24th Floor, Bank of China Tower
1 Garden Road
Hong Kong

AUDITOR

HLB Hodgson Impey Cheng Limited
(Certified Public Accountants)

LEGAL ADVISER

King & Wood Mallesons

STOCK CODE

1943

Dear shareholders,

On behalf of the board (the "**Board**") of directors (the "**Director(s)**") of Silver Tide Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**"), I am pleased to present the annual results of the Group for the year ended 31 March 2024 ("**FY2023/24**").

BUSINESS REVIEW

The Group is a Hong Kong-based subcontractor engaged in the provision of formwork work services and dealing and broking service in Hong Kong. The revenue from (i) provision of formwork work services and (ii) provision of dealing and broking services in Hong Kong for FY2023/24 amounted to approximately HK$452.7 million, representing an increase of approximately HK$80.6 million or 21.7% as compared to approximately HK$372.1 million for the year ended 31 March 2023 ("**FY2022/23**"). Such increase was primarily attributable to the increase in revenue generated from two major projects commenced in November 2022 and May 2022, which achieved significant progress during FY2023/24. The revenue from provision of dealing and broking services contributes HK$0.4 million for FY2023/24.

The gross profit of approximately HK$18.3 million reported for FY2023/24 while the gross profit of approximately HK$41.5 million for FY2022/23 was primarily due to the increase in additional subcontracting costs.

FUTURE OUTLOOK

Looking ahead, the Directors believe that smart building and construction digitalisation will become an important trend in the construction industry, and the Group's existing business, which represents an important part of the construction process, should actively adapt to the market changes and technological development trend. Therefore, the Directors believe that the model construction market has a broad development prospect and potential in the future. The Group will strengthen its technological innovation and research and development capability, and actively apply smart building and construction digitalisation related technologies and products to improve construction efficiency and quality and enhance the competitiveness of its products and service standards, so as to gain advantage in market competition. At the same time, the Group will leverage on the background and resources of its shareholders to explore business diversification. In particular, the Group will focus on business development opportunities related to people's livelihood and seek a second growth curve for business development in a timely manner, so as to lay a solid foundation for the Group's sustainable operation in the future and to reward the shareholders of the Company with fruitful business results.

APPRECIATION

Lastly, on behalf of the Board of Directors of the Company, I would like to express my sincere gratitude to our shareholders, customers, subcontractors, suppliers and business partners for their continuous support. I would also like to send my warmest thanks to all our management and staff members for their hard work and dedication during the reporting year.

Wang Jianfeng
Hong Kong, 22 June 2024

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND OPERATION RESULTS

FINANCIAL HIGHLIGHTS

– Revenue was approximately HK$452.7 million for FY2023/24, representing an increase of approximately 21.7% as compared with the revenue of approximately HK$372.1 million for FY2022/23.

– Gross profit was approximately HK$18.3 million for FY2023/24, as compared with the gross profit of approximately HK$41.5 million for FY2022/23.

– Loss attributable to owners of the parent was approximately HK$32.3 million for FY2023/24, whereas profit attributable to owners of the parent was approximately HK$5.0 million for FY2022/23.

– Basic loss per share was approximately HK$3.2 cents for FY2023/24, and basic earnings per share was approximately HK$0.5 cents for FY2022/23.

– The Board does not recommend the payment of any final dividend for the FY2023/24.

BUSINESS REVIEW

The Group is a Hong Kong-based subcontractor engaged in the provision of formwork work services and dealing and broking services in Hong Kong. The revenue from (i) provision of formwork work services and (ii) provision of dealing and broking services in Hong Kong for FY2023/24 amounted to approximately HK$452.7 million, representing an increase of approximately HK$80.6 million or 21.7% as compared to approximately HK$372.1 million for FY2022/23. Such increase was primarily attributable to increase in revenue generated from two major projects commenced in November 2022 and May 2022, which achieved significant progress during FY2023/24. The revenue from provision of dealing and broking services contributed HK$0.4 million for FY2023/24.

The gross profit of approximately HK$18.3 million reported for FY2023/24 while the gross profit of approximately HK$41.5 million for FY2022/23 was primarily due to the increase in additional subcontracting costs.

BUSINESS PROSPECT

During the year, the Group was principally engaged in the provision of formwork work services and dealing and broking services in Hong Kong. Looking ahead, the Directors believe that smart building and construction digitalisation will become an important trend in the construction industry, and the Group's existing business, which represents an important part of the construction process, should actively adapt to the market changes and technological development trend. Therefore, the Directors believe the model construction market has broad development prospects and potential in the future. The Group will strengthen its technological innovation and research and development capability, and actively apply smart building and construction digitalisation related technologies and products to improve construction efficiency and quality and enhance the competitiveness of its products and service standards, so as to gain advantage in market competition. At the same time, the Group will leverage the background and resources of its shareholders to explore business diversification. In particular, the Group will focus on business development opportunities related to people's livelihood and seek a second growth curve for business development in a timely manner, so as to lay a solid foundation for the Group's sustainable operation in the future and to reward the shareholders of the Company with fruitful business results.

As at 31 March 2024, the Group had 9 projects that were yet to be completed, and the original contract value of such projects amounted to approximately HK$659.4 million.

On top of the above, the Group has been exploring other business opportunities in dealing and broking services in Hong Kong to further broaden its revenue bases.

FINANCIAL REVIEW

Analysis of key items of results of operations

Revenue

Our revenue was approximately HK$452.7 million for FY2023/24, representing an increase of approximately 21.7% as compared with the revenue of approximately HK$372.1 million for FY2022/23.

Gross profit and gross profit margin

Our gross profit and gross profit margin for FY2022/23 and FY2023/24 respectively were as follows:

	FY2023/24	FY2022/23
Revenue (HK$'000)	**452,666**	372,086
Gross profit (HK$'000)	**18,302**	41,450
Gross profit margin	**4.0%**	11.1%

The Group's gross profit of approximately HK$18.3 million reported for FY2023/24 while the gross profit of approximately HK$41.4 million for FY2022/23 was primarily due to the increase in additional subcontracting costs.

Other income and gains

Other income and gains decreased by approximately HK$11.8 million from approximately HK$13.0 million for FY2022/23 to approximately HK$1.2 million for FY2023/24, representing a decrease of approximately 90.8%. Such decrease was mainly attributable to the decrease in government subsidies from approximately HK$11.2 million for FY2022/23 to approximately HK$0.2 million for FY2023/24.

Administrative expenses

Administrative expenses increased by approximately HK$11.1 million from approximately HK$27.7 million for FY2022/23 to approximately HK$38.8 million for FY2023/24, representing an increase of approximately 40.1%. Such increase was mainly attributable to the increase in one off staff bonus of HK$13.6 million to a project manager for FY2023/24 (for FY2022/23: HK$5 million).

Other losses

The Group recorded other losses of approximately HK$14.0 million for FY2023/24 (for FY2022/23: HK$15.0 million), which was mainly attributable to (i) the decrease in other expenses derived from fair value loss arising from financial assets at fair value through profit or loss ("**FVTPL**") of HK$0.2 million for FY2023/24 (for FY2022/23: HK$13.9 million); (ii) partial offset by increase in impairment loss on trade receivables of HK$13.2 million for FY2023/24 (for FY2022/23: HK$0.7 million).

Finance costs

Finance costs remained relatively stable at approximately HK$0.1 million for FY2022/23 and approximately HK$0.1 million for FY2023/24.

Income tax

For FY2023/24, the Group's income tax credit amounted to approximately HK$1.4 million, as compared with approximately HK$6.6 million of income tax expense amount for FY2022/23. Such change was mainly due to over-provision of income tax expense in prior years.

(Loss)/Profit attributable to owners of the parent

As a result of the foregoing, the loss attributable to owners of the parent amounted to approximately HK$32.3 million for FY2023/24 as compared to the profit attributable to owners of the parent of approximately HK$5.0 million for FY2022/23.

Final dividend

The Board has resolved not to recommend the declaration of any final dividend for FY2023/24 (FY2022/23: nil).

Liquidity and financial resources

Our primary uses of capital are to satisfy our working capital needs and to fund our construction projects. We financed our working capital primarily from (i) cash generated from operating activities, which primarily comprised cash payments we received from our revenue from the provision of formwork works and other construction works and (ii) bank borrowings. In managing our liquidity, our management monitors and maintains a reasonable level of cash and cash equivalents which are deemed adequate by our management to finance our operations and to mitigate the impacts of fluctuations in cash flows. We rely on cash and cash equivalents on hand and the cash generated from operating activities as the main sources of liquidity. As at 31 March 2024, the cash and cash equivalents, net current assets and total assets less current liabilities were approximately HK$98.1 million (as at 31 March 2023: approximately HK$52.2 million), approximately HK$173.8 million (as at 31 March 2023: approximately HK$202.7 million) and approximately HK$184.1 million (as at 31 March 2023: approximately HK$216.6 million), respectively.

Contingent liabilities

As at 31 March 2024, the Group did not have any material contingent liabilities (as at 31 March 2023: nil).

Capital commitments

As at 31 March 2024, the Group had HK$1.1 million capital commitments in respect of the acquisitions of property, plant and equipment (as at 31 March 2023: nil) contracted for but not provided in the consolidated financial statements of the Group.

Funding and treasury policy

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with licensed banks. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Foreign currency risk

The Group has no significant exposure to foreign currency risk because almost all of the Group's transactions are denominated in Hong Kong dollars. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure as and when appropriate.

Gearing ratio

As at 31 March 2024, the Group's gearing ratio was nil (as at 31 March 2023: nil), representing total bank and other borrowings as a percentage of total equity.

Segment information

Save as disclosed in note 7 to the consolidated financial statements in this report.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During FY2023/24, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

SIGNIFICANT INVESTMENT HELD

During FY2023/24, the Group had not held any significant investment.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

During FY2023/24, the Group did not have any other plans for material investments and capital assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group employed 37 employees in Hong Kong (31 March 2023: 48 employees). The remuneration package that our Group offers to employees includes salary, bonuses and other cash subsidies. In general, our Group determines employee salaries based on each employee's qualifications, position and seniority. As required by Hong Kong laws, we have enrolled all of our full-time staff in the Mandatory Provident Fund Scheme. We intend to maintain our remuneration package competitive in order to attract and retain talented labour, and we regularly provide trainings to our employees and carry out staff evaluation to assess their performance.

For the year ended 31 March 2024, senior management of the Company comprises 1 individual. The remuneration paid to the Group's senior management, other than Directors, fell within the following band:

Remuneration (per annum)	Number of individuals
Nil to HK$1,000,000	1

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

As at 31 March 2024, there was no forfeited contribution in relation to pension schemes (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) in the Group. Hence, there is no forfeited contribution available for the Group to reduce its existing level of contributions to the pension schemes in future years.

CAPITAL STRUCTURE

The shares of the Company (the "**Share**") were listed on Main Board of the Stock Exchange on 28 June 2019 (the "**Listing Date**"). There has been no change in the capital structure of the Company since then. As at 31 March 2024, the capital structure of the Company comprised mainly issued share capital and reserves.

CODE ON CORPORATE GOVERNANCE PRACTICES

Pursuant to the code provision C.2.1 of the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules (the "**CG Code**"), the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Board believes that with the support of the management, vesting the roles of both chairman of the Board and chief executive officer on Mr. Wang Jianfeng can facilitate the execution of the Group's business strategies and provide a strong and consistent leadership to improve the Company's efficiency in decision-making. The Board considers that appointment of Mr. Wang as the chairman of the Board and the chief executive officer of the Company will not impair the balance of power as all major decisions are made in consultation with members of the Board. In addition, under the supervision by the Board which currently consists of one executive Director, three non-executive Directors and three independent non-executive Directors, the interests of the Shareholders will be adequately and fairly represented. Therefore, the Board considers the deviation from the code provision C.2.1 of the CG Code appropriate under such circumstances. However, the Board will periodically review the effectiveness of this arrangement and consider separating the roles of chairman of the Board and chief executive officer of the Company when it thinks appropriate.

DIRECTORS

Executive Director

Mr. Wang Jianfeng（王建峰）, aged 53, is our executive Director and the chairman of Nomination Committee since 20 October 2022.

Mr. Wang has over 20 years of experience in agriculture, healthcare, culture tourism, real estate development and environmentally friendly construction industries in the PRC.

Mr. Wang studied plastics engineering (塑料工程專業) in Zhejiang University of Technology and graduated in July 1994. He obtained a master's degree in accounting in December 2004 from The University of Wollongong in Australia.

Non-executive Directors

Mr. Cai Huihui（蔡輝輝）, aged 38, is our non-executive Director and the member of Audit Committee and Remuneration Committee since 20 October 2022.

Mr. Cai has served as the chairman of the board of Hangzhou Jiuchen Yuanke Trading Company Limited* (杭州九辰源科商貿有限公司) since April 2018. He has also served as the chairman of the board of Shenzhen Yuanqu Technology Company Limited* (深圳源趣科技有限公司) from October 2018 to April 2023. Mr. Cai worked as an analyst at Shanghai Juma Metal Material Company Limited* (上海巨馬金屬材料有限公司) from July 2008 to September 2011 and was the general manager of Shanghai Zheyue Industrial Company Limited* (上海哲悦實業有限公司) from November 2011 to March 2013. He was also a senior partner at Yisi Asset Management (Shanghai) Company Limited* (一思資產管理（上海）有限公司) from March 2013 to March 2018.

Mr. Cai studied finance and insurance (金融保險專業) in Liaoning University of International Business and Economics* (遼寧對外經貿學院) and graduated in July 2008.

Ms. Liu Jingna（劉婧娜）, aged 37, is our non-executive Director since 20 October 2022.

Ms. Liu has been the general manager of the purchasing management centre of Jinke Investment Holding Co., Ltd.* (金恪投資控股股份有限公司) since November 2015. She worked at Carrefour (China) Management & Consulting Service Co., Ltd.* (家樂福(中國)管理諮詢服務有限公司) from May 2013 to September 2014 with her last position as expenses purchasing manager of non-commodity purchasing centre. She also worked as an assistant of the national fresh food department of Tesco (China) Investment Co., Ltd.* (特易購樂購(中國)投資有限公司) from November 2009 to April 2013.

Ms. Liu obtained a bachelor's degree in finance (distance learning) from the Dongbei University of Finance & Economics in July 2020.

Mr. Ruan Dongdong（阮東東）, aged 40, is our non-executive Director since 20 October 2022.

Mr. Ruan has been the deputy general manager of Fujian Guanyunxin Construction Engineering Company Limited* (福建冠雲鑫建設工程有限公司) since February 2007, the deputy general manager of Fujian Fuquan New Energy Technology Company Limited* (福建溥泉新能源科技有限公司) since May 2022 and the deputy general manager of Wuxi Dongheng New Energy Material Company Limited* (無錫東恒新能源材料有限公司) since July 2022. Mr. Ruan was also the general manager of Ningde Lvye Information Technology Company Limited* (寧德綠冶信息科技有限公司) from January 2013 to March 2018.

Mr. Ruan studied economic management (經濟管理專業) (distance learning) in Southwestern University and graduated in July 2013.

Independent non-executive Directors

Mr. Wang Wenxing（王文星）, aged 54, is our independent non-executive Director and the chairman of Audit Committee and the member of Nomination Committee since 20 October 2022.

Mr. Wang has been serving as a senior partner, the chief accountant and the quality control director of Anthony Chen CPA, PLLC (now known as HICG CPA PLLC（美國HICG會計師事務所））since August 2008. He is also currently serving as a tax consultant of Triangle Accounting, Inc. and senior international tax consultant of V&T Law Firm Shanghai Office（"萬商天勤（上海）律師事務所"）and Zhong Shen Zhong Huen Certified Accountants LLP Shanghai Free Trade Zone Branch（"中審眾環會計師事務所（特殊普通合伙）上海自貿試驗分所"）. He served as a senior international tax consultant of Mind & Sun Partners in Shanghai from July 2017 to December 2023. During the period from May 1995 to March 2003, he served as a project manager in the Guangzhou Branch of the China Council for the Promotion of International Trade (中國國際貿易促進委員會廣州市分會) (also known as the Guangzhou Chamber of Commerce of the China International Chamber of Commerce (中國國際商會廣州市商會)). He was the assistant director of the high-net-worth business department of AIA Company Limited Shanghai Branch from April 2015 to June 2017. He has also been appointed as an independent non-executive director of Central Holding Group Co. Ltd. (stock code: 1735) since October 2019.

Mr. Wang obtained a Master of Science from the City University of New York in the United States in February 2008. He has been enrolled to practice before the Internal Revenue Service of the Department of the Treasury of the United States since November 2010.

Mr. An Wen Long (安文龍), aged 40, is our independent non-executive Director and the chairman of Remuneration Committee and the member of Nomination Committee since 13 December 2023. Pursuant to Rule 3.09D of the Listing Rules, Mr. An has obtained the legal advice on 13 December 2023 and confirmed that he understood his obligations as a Director.

Mr. An has been working in Mutualwell Incorporated (康同企業有限公司) as a managing director of North America since March 2016. Previously, Mr. An worked in Pacific Construction Group Company Limited (太平洋建設集團有限公司) from June 2010 to October 2015 as a vice general manager of the financial investment department, Vanpeople Network Ltd. from February 2008 to September 2011 as a director of investment department and Raydwell Consulting Inc. as observer from January 2007 to January 2008.

Mr. An obtained a bachelor's degree in business administration from The Beedie School of Business at Simon Fraser University in December 2006.

Ms. Florence Ng (吳翠蘭), aged 60, is our independent non-executive Director and the member of Audit Committee and the member of Remuneration Committee since 20 October 2022.

Ms. Ng is a solicitor qualified in Hong Kong Special Administrative Region since 2011, specializing in international cross border mergers and acquisitions transactions, and corporate commercial matters. Ms. Ng served as an independent non-executive director at China Internet Investment Finance Holdings Limited from December 2013 to December 2023, a company listed on the Hong Kong Stock Exchange (stock code: 810). Ms. Ng served as an executive director from October 2021 to September 2022, as the general counsel from October 2021 to November 2021, as the vice president of the operations and business development from November 2021 to March 2022 and as the chief operating officer from March 2022 to September 2022 and as a consultant since October 2022 for Mega Matrix Corp., a company listed in the New York Stock Exchange American LLC. (stock code: MTMT).

Ms. Ng holds a bachelor's degree in art from San Francisco State University, a bachelor's degree in law from the University of London, a master's degree in law from the City University of Hong Kong with distinction award, and a fintech certification from the University of Oxford.

SENIOR MANAGEMENT

Ms. CHOW Hoi Fei (周凱菲), aged 36, is our financial controller and company secretary. She has over 12 years of experience in auditing and accounting and is responsible for overseeing the financial operations of our Group. Ms. Chow joined our Group in May 2018. Prior to joining our Group, Ms. Chow worked at Shinewing (HK) CPA Limited from October 2010 to November 2012 with her last position as a semi-senior accountant. She subsequently worked for Mazars CPA Limited as a senior auditor from December 2012 to November 2013, and PricewaterhouseCoopers Limited as a senior associate from November 2013 to May 2015. Between August 2015 and April 2018, Ms. Chow worked at Biel Crystal (HK) Manufacturing Limited, a Hong Kong-based company principally engaged in the manufacture of glass products, with her last position as an assistant finance manager.

Ms. Chow obtained a Bachelor of Business Administration (Honours) in Accountancy from the City University of Hong Kong in Hong Kong in July 2010. Ms. Chow became a certified public accountant of the Hong Kong Institute of Certified Public Accountants in July 2014.

Ms. Lo Man Kwan (盧敏君), aged 45, is our director of finance of the Group. She is primarily responsible for banking and financing matters of the Group, including communicating with bankers or other financial parties and overseeing the financial issues of our Group. Ms. Lo joined our Group in October 2022. Prior to joining our Group, Ms. Lo was employed by Kings Consulting Services Limited to work as an administrator officer and a secretary of operational management department at China Development Bank Hong Kong Branch from June 2012 to January 2017 and as a legal secretary in China Development Bank International Holding Limited from January 2017 to January 2018. She then served as a secretary and subsequently as a senior administrative assistant in K. Wah Management Services Limited from January 2018 to April 2019. She was employed by Central New Energy Holding Group Limited (stock code: 1735) as human resources and administration manager from October 2019 to May 2021.

Ms. Lo has been appointed senior police call honorary president for Tseung Kwan O district since November 2023.

Ms. Lo obtained a Master of Business Administration from Fudan University (復旦大學) with distinction award in the PRC.

DIRECTORS' REPORT

The Board is pleased to present their report together with the audited consolidated financial statements of the Group for FY2023/24.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group are principally engaged in (i) providing construction services including traditional formwork using timber and plywood, system formwork using aluminium and steel, and ancillary works such as concrete works and reinforcement works for the public and private sectors in Hong Kong and (ii) business of dealing in securities in Hong Kong.

PRINCIPAL PLACE OF BUSINESS

The Company is an exempted company incorporated in the Cayman Islands on 24 July 2018 with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of operations of the Company is located at Office Floor 29, Queen's Road Centre, 152 Queen's Road Central, Hong Kong.

SEGMENT INFORMATION

Save as disclosed in note 7 to the consolidated financial statements, the Group's business was regarded as two operating segments and the Group had no geographical segment information presented as at 31 March 2024 and 2023.

RESULTS AND DIVIDEND

The results of the Group for FY2023/24 are set out in the consolidated statement of profit or loss and other comprehensive income on page 42.

The Board did not recommend the payment of a final dividend for FY2023/24. As at the date of this annual report, the Board is not aware of any shareholders who have waived or agreed to waive any dividends.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") is scheduled to be held on Wednesday, 21 August 2024 (the "**2024 AGM**"). For determining the entitlement to attend and vote at the 2024 AGM, the register of members of the Company will be closed from Friday, 16 August 2024 to Wednesday, 21 August 2024 (both days inclusive) during which period no share transfer will be registered. In order to be eligible to attend and vote at the 2024 AGM, all transfers forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 15 August 2024.

BUSINESS REVIEW

The review of the Group's businesses and outlook for FY2023/24 is set out in the sections headed "Chairman's Statement" on page 3 and "Management Discussion and Analysis" on pages 4 to 10 of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's results of operation may vary significantly from time to time depending on, among other factors, the political and economic environment, level of competitiveness, the quality of service and timeliness of subcontractors, and the adequacy and efficiency of internal processes implemented by staff and systems. The Group believes that there are certain risks and uncertainties involved both in the operations and in the markets which can be summarised as below.

Operational Risks

The Group determines the contract price based on the estimated time and costs involved in the subject project. Due to unexpected circumstances such as bad weather, social, political and economic conditions in Hong Kong, the actual time and costs incurred in construction projects may exceed the Group's estimation at the time of tendering submission and the work in progress may be interrupted. As a result, such variations could adversely affect the Group's operations and financial results. In such situations, the Group will implement measures such as recruiting additional manpower including subcontracting part of the construction works in order to expedite the work progress.

The Group's liquidity position may be adversely affected if the progress payment or the retention money is not paid or released to the Group on time or in full or the construction project cash flows are fluctuated. To mitigate the pressure of financial liquidity, the Group prepares aging analysis on a regular basis and contacts the management level of the customers so as to get a better understanding of their financial status.

Any delay in project would affect the Group's cash position. The Group has regular progress meetings with customers regarding each construction site's progress. The Group shall then plan the deployment of labour and other resources accordingly. The Group's accounting and finance department also forecasts the works to be done in the forthcoming months to plan the liquidity and working capital use and reports to the management of the Group who shall then consider whether contingency plans are required.

Market Risks

Despite the construction industry is one of the traditional core industries in Hong Kong and it is currently benefitting from strong housing needs and large infrastructure projects by the Hong Kong government, the construction industry may suffer adverse impact of the change in government policies, financial crisis and unanticipated natural disasters. Delays in project commencement, particularly projects in the public sector due to late approval of new funding, escalation in purchase price of construction materials or deployment of labour may affect the project portfolio. Nevertheless, the Group will not just rely on participating in projects from public sector but the Group will also be more involved in projects from the private sectors.

Labour shortage and ageing problem have taken root in the construction industry for a number of years and the Group has leveraged on the good relationship with the labour and subcontractors to mitigate this risk. The Group has a list of approved subcontractors which the Group has reviewed and updated regularly to ensure that they have maintained sufficient work force. The project team has regular meetings to discuss the deployment of labour, including the timing and number of workers required from time to time. The Group has early planning in the formwork design stage and will introduce system formwork where possible since the assembling of system formwork demands less workmanship as compared to timber formwork which is more labour intensive at a higher cost.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to minimising the adverse impact to the environment caused by business operations. In order to comply with the applicable environmental protection laws and regulations, the Group established an environmental management policy to ensure proper management of environmental protection and compliance of environmental laws and regulations by both employees and workers of the subcontractors on among others, air pollution, noise control and waste disposal. The Group will continue to reduce the impacts of its operation on the environment and continue to make efforts to save energy.

The "Environmental Social and Governance Report" of the Company is prepared in accordance with Appendix C2 of the Listing Rules will be published by 31 July 2024.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During FY2023/24, these was no material breach or non-compliance with the applicable laws and regulation by the Group.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining good relationships with its employees, suppliers, customers and other stakeholders to meet its immediate and long-term goals. During FY2023/24, there were no material and significant dispute between the Group and its suppliers, customers and/or stakeholders.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during FY2023/24 are set out in note 17 to the consolidated financial statements.

BANK BORROWINGS

During FY2023/24, there was no bank borrowing of the Group.

SHARE CAPITAL

Details of movement in the Company's share capital during FY2023/24 are set out in note 31 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company and the Group during FY2023/24 are set out on page 97 and in the consolidated statement of changes in equity respectively.

As of 31 March 2024, the Group had reserves amounted to approximately HK$173.8 million available for distribution.

DIRECTORS

The Directors of the Company during FY2023/24 and up to the date of this annual report were as follow:

Executive Director:
Mr. Wang Jianfeng *(Chairman and Chief Executive Officer)*

Non-executive Directors:
Mr. Cai Huihui
Ms. Liu Jingna
Mr. Ruan Dongdong

Independent Non-executive Directors:
Mr. Wang Wenxing
Mr. Xu Da *(resigned on 13 December 2023)*
Ms. Florence Ng
Mr. An Wen Long *(appointed on 13 December 2023)*

The Directors' biographical details are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report. Information regarding Directors' emoluments are set out in note 12 to the consolidated financial statements.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

SERVICE CONTRACTS OF THE DIRECTORS

Each of the Directors has entered into a service contract with the Company for a term of three years and shall be terminable by either party giving not less than three months' notice in writing to the other.

In accordance with Articles 83 and 84 of the Articles of Association, each of the Directors will hold office until the first annual general meeting of the Company and will then be eligible for re-election. None of the Directors proposed for re-election at the forthcoming AGM has a service contract with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During FY2023/24, there were no connected transactions or continuing connected transactions of the Company as defined under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, annual review, announcement or independent shareholders' approval requirements under the Listing Rules. Save as disclosed under the "Related Party Transactions" in note 38 to the consolidated financial statements in this annual report, there were no transaction, arrangement or contract of significance, to which the Company, any of its subsidiaries, its parent company, or its parent company's subsidiaries was a party, and in which a Director of any entity connected with a Director had a material interest, whether directly and indirectly, subsisted as at 31 March 2024 or any time during FY2023/24, nor was there any other transaction, arrangement or contract of significance in relation to the Group's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

RELATED PARTY TRANSACTIONS

Related party transactions during FY2023/24 are disclosed in note 38 to the consolidated financial statements in this annual report. None of these related party transactions constituted connected transaction or continuing connected transaction under the Listing Rules.

MANAGEMENT CONTRACTS

The Company did not enter into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Group during FY2023/24.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Scheme**") pursuant to a resolution in writing passed by the then sole shareholder of the Company on 8 June 2019 and no options have been granted, exercised or cancelled since then and up to the date of this annual report.

The purpose of the Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operation. Eligible participants of the Scheme include the Company's directors, full-time or part-time employees of the Group, consultant, adviser, substantial shareholder, distributor, contractor, supplier, agent, customer, business partner and service provider of the Group.

The maximum number of unexercised shares in respect of which options may be granted under the Scheme is such a number of shares representing 10% of the issued share capital of the Company as at the date of the Listing, i.e. 100,000,000 shares. The 10% limit may be refreshed at any time by approval of the shareholders in the general meeting. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to directors, chief executive or substantial shareholders of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options must be accepted within 7 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors and ends on a date which is not later than 10 years from the date of offer of the share options.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the closing price of the shares of the Company as stated in the Stock Exchange daily quotations sheet on the date of grant of the share options; (ii) the average closing prices of the shares of the Company as stated in the Stock Exchange daily quotations sheet for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the shares of the Company.

The Scheme will remain in force for a period of 10 years from the date of adoption.

TAX RELIEF

The Company is not aware of any relief on taxation available to the shareholders of the Company (the "**Shareholder(s)**") by reason of their holdings of the shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in or exercising of any rights in relation to the shares, they are advised to consult their professional advisers.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company has maintained a sufficient amount of public float for the shares of the Company as required under the Listing Rules during FY2023/24 and up to the date of this annual report.

COMPETING INTERESTS

During FY2023/24, none of the Directors nor the controlling shareholders of the Company and their respective associates (as defined under Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")) had any interests in a business, apart from the business of the Group, which competes or may compete with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

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

As at 31 March 2024, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules, were as follows:

Name of Director	Capacity/Nature	Number of Shares held/interested	Percentage of interest
Mr. Wang Jianfeng	Interest in a controlled Corporation (Note)	750,000,000 (Long position)	75.0%

Note: The Shares are held by Central Force Premium Group Limited, the equity interest of which is owned as to 100% by Regal Loyalty Limited and Regal Loyalty Limited is entirely owned by Mr. Wang Jianfeng. Mr. Wang Jianfeng is deemed to be interested in all the Shares held by Central Force Premium Group Limited for the purpose of Part XV of the SFO.

Save as disclosed above, as at 31 March 2024, none of the Directors nor chief executive of the Company has registered an interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

So far as the Directors are aware, as at 31 March 2024, the following persons (not being Directors or chief executive of the Company) have or are deemed or taken to have an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under section 336 of the SFO:

The Company

Name	Capacity/Nature	Number of Shares held/interested	Percentage of interest
Central Force Premium Group Limited	Beneficial owner	750,000,000	75.0%
Regal Loyalty Limited	Interest in controlled corporation	750,000,000	75.0%
Ms. Xu Fang	Interest of spouse (Note)	750,000,000	75.0%

Note: Ms. Xu Fang is Mr. Wang Jianfeng's spouse and is deemed to be interested in the 750,000,000 Shares in which Mr. Wang Jianfeng is interested for the purpose of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than shareholdings disclosed above, at no time during FY2023/24 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MAJOR CUSTOMERS AND SUPPLIERS

During FY2023/24, the Group's five largest customers in aggregate and the single largest customer accounted for approximately 97.5% (FY2022/23: approximately 96.9%) and 39.6% (FY2022/23: approximately 63.0%) of the Group's total revenue respectively.

During FY2023/24, the Group's five largest suppliers in aggregate and the single largest supplier accounted for approximately 56.5% (FY2022/23: approximately 52.3%) and 21.1% (FY2022/23: approximately 22.9%) of the Group's total purchases respectively.

To the best of the knowledge of the Directors, saved as disclosed in this annual report, none of the Directors, their respective close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in these major customers or suppliers.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during FY2023/24.

PERMITTED INDEMNITY PROVISION

Every director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities secured or sustained by him as a director in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into during FY2023/24 or subsisted at the end of the reporting period.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 24 to 35 of this annual report.

INDEPENDENT AUDITORS

BDO Limited was retired as the auditor of the Company at the annual general meeting of the Company held on 23 August 2023, the Company has therefore appointed HLB Hodgson Impey Cheng Limited ("**HLB**") as its new auditor following the retirement of BDO Limited on the same day. Save as disclosed above, there were no other changes in the auditors of the Company during the past three years. The consolidated financial statements of the Group for FY2023/24 have been audited by HLB, which will retire at the forthcoming annual general meeting.

EVENTS AFTER THE REPORTING PERIOD

There was no significant event affecting the Company nor any of its subsidiaries after 31 March 2024 and up to date of this annual report.

On behalf of the Board
Wang Jianfeng
Chairman, Chief Executive Officer and Executive Director

CORPORATE GOVERNANCE REPORT

The Board hereby presents this corporate governance report in the Group's annual report for FY2023/24.

CORPORATE GOVERNANCE PRACTICES

The Company and the Board are devoted to achieve and maintain high standards of corporate governance, as the Board believes that good and effective corporate governance practices are fundamental to obtain and maintain the trust and safeguarding interest of the shareholders and other stakeholders of the Company. The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Listing Rules.

To the best knowledge of the Board, except for the deviation from the code provision C.2.1 of the CG Code, the Company has complied with the code provisions in the CG Code throughout FY2023/24 and up to the date of this report.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Wang Jianfeng ("**Mr. Wang**") assumed the dual role as the chairman of the Board and the chief executive of the Company. However, the Board believes that with the support of the management, vesting the roles of both chairman of the Board and chief executive officer on Mr. Wang can facilitate the execution of the Group's business strategies and provide a strong and consistent leadership to improve the Company's efficiency in decision-making. The Board considers that appointment of Mr. Wang as the chairman of the Board and the chief executive officer of the Company will not impair the balance of power as all major decisions are made in consultation with members of the Board. In addition, under the supervision by the Board which currently consists of one executive Director, three non-executive Directors and three independent non-executive Directors, the interests of the Shareholders will be adequately and fairly represented. Therefore, the Board considers the deviation from the code provision C.2.1 of the CG Code is appropriate under such circumstances. However, the Board will periodically review the effectiveness of this arrangement and consider separating the roles of chairman of the Board and chief executive officer of the Company when it thinks appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. The Company has also set guidelines, at least as strict as the Model Code, on transactions of the Company's securities for relevant employees who are likely to be in possession of unpublished inside information of the Company.

Having made specific enquiry with all the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code during FY2023/24 and up to the date of this annual report.

BOARD COMPOSITION

The Board currently comprises one executive Director, three non-executive Directors and three independent non-executive Directors and the Board is accountable to shareholders. The management and control of the business of the Company is vested in its Board. It is the duty of the Board to create value to the shareholders of the Company.

Executive Directors:
Mr. Wang Jianfeng *(Chairman and Chief Executive Officer)*

Non-executive Directors:
Mr. Cai Huihui
Ms. Liu Jingna
Mr. Ruan Dongdong

Independent Non-executive Directors:
Mr. Wang Wenxing
Mr. Xu Da *(resigned on 13 December 2023)*
Ms. Florence Ng
Mr. An Wen Long *(appointed on 13 December 2023)*

The biographical information of the Directors is set out in the section headed "Biographical Details of Directors and Senior Management" on pages 11 to 13 of this annual report. The relationships between the members of the Board are also disclosed under the same section.

The current proportion of independent non-executive Director is higher than what is required by Rule 3.10A, 3.10(1) and (2) of the Listing Rules whereby independent non-executive Directors of a listed issuer represent at least one-third of the Board. The three independent non-executive Directors represent more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. With the various experience of the executive Directors, the non-executive Directors and the independent non-executive Directors and the nature of the Group's business, the Board considered that the Directors have a balance of skills and experience for the business of the Group.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Code provision B.2.2 states that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the Directors is appointed under a service contract for a term of three years which is terminable by either party by giving three months' written notice to the other party.

In accordance with the Articles of Association, every Director is subject to retirement by rotation and re-election at least once every three years and any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his appointment and any Director appointed by the Board of the Company as an addition to the Board shall hold office until the next following annual general meeting of the Company and they will be eligible for re-election. Accordingly, Mr. Wang Jianfeng, Mr. Cai Huihui, Ms. Liu Jingna and Mr. An Wen Long will retire from office as Directors by rotation at the AGM and being eligible to offer themselves for re-election at the AGM.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board take decisions objectively in the interests of the Company.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors confirmed that they had complied with code provision C.1.4 of the CG Code during FY2023/24 and up to the date of this annual report, that all Directors had participated in continuous professional development to develop and refresh their knowledge and skills. The Directors are required to provide the Company with details of the training's records. Based on those training's records, all the Directors received training in the form of reading and/or online studying during FY2023/24 including reading relevant news alerts, newspapers, journals, magazines and relevant publications relating to the latest development of the Listing Rules, other applicable regulatory requirements and directors' duties and responsibilities. All Directors had attended the in-house training. The training covered topics which include, the disclosure obligations in Hong Kong, the requirements of disclosable transactions and connected transactions etc. under the Listing Rules.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website (www.silvertide.hk) and the Stock Exchange's website (www.hkexnews.hk) and are available to shareholders upon request.

The majority of the members of each Board committee are independent non-executive Directors and the list of the chairman and members of each Board committee is set out under "**Board of Directors**" in this Corporate Governance Report.

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The Company intends to hold Board meetings regularly and at least four times a year. Notices of not less than fourteen days will be given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

During FY2023/24, there were six Board meetings held, at which the Directors approved, among other things, the annual report of the Group for FY2022/23.

Prior notice convening the Board meeting was dispatched to the Directors before the Board meeting setting out the matters to be discussed. At the meeting, the Directors were provided with the relevant documents to be discussed and approved to enable the Directors to make informed decisions. The company secretary of the Company had been responsible for ensuring the procedures of the Board meeting are observed and keeping minutes for the Board meeting which were sent to the Directors for records and are open for inspection at any reasonable time by any Director on reasonable notice.

As at the date of this annual report, the members of the Board are Mr. Wang Jianfeng (Chairman and Chief Executive Officer) as executive Director, and Mr. Cai Huihui, Ms. Liu Jingna and Mr. Ruan Dongdong as non-executive Directors, and Mr. Wang Wenxing, Mr. An Wen Long (appointed on 13 December 2023) and Ms. Florence Ng as independent non-executive Directors.

The attendance record of each Director at the Board and Board Committee meetings of the Company held during FY2023/24 is set out in the table below:

	Attendance/Number of Meetings			
Name of Directors	**Board Meeting**	**Nomination Committee**	**Remuneration Committee**	**Audit Committee**
Executive Directors				
Mr. Wang Jianfeng	6/6	1/1	N/A	N/A
Non-executive Directors				
Mr. Cai Huihui	6/6	N/A	1/1	3/3
Ms. Liu Jingna	6/6	N/A	N/A	N/A
Mr. Ruan Dongdong	6/6	N/A	N/A	N/A
Independent non-executive Directors				
Mr. Wang Wenxing	6/6	1/1	N/A	3/3
Mr. Xu Da *(resigned on 13 December 2023)*	6/6	1/1	1/1	N/A
Ms. Florence Ng	6/6	N/A	1/1	3/3
Mr. An Wen Long *(appointed on 13 December 2023)*	N/A	N/A	N/A	N/A

AUDIT COMMITTEE

The Audit Committee of the Company was established on 8 June 2019. The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors namely Mr. Cai Huihui, Ms. Florence Ng and Mr. Wang Wenxing, (being the chairman of the Audit Committee who possesses the appropriate professional qualifications).

The primary duties of the Audit Committee are to review, supervise, and assist our Board in providing an independent view of, our financial reporting processes, and internal control and risk management systems, as well as to oversee the audit process, review our annual and interim financial statements, provide advice and comments to the Board on matters related to corporate governance, and perform other duties and responsibilities as assigned by our Board from time to time.

The Audit Committee has approved and reviewed with the external auditor of the Company and the management of the Group, the consolidated financial results of the Group for FY2023/24 and agreed to the accounting principles and policies adopted by the Group.

During FY2023/24, the Audit Committee held three meetings. The members of Audit Committee reviewed and discussed with the external auditors of the Company on the Group's audited consolidated financial statements for FY2022/23 and the unaudited interim consolidated financial statements for the six months ended 30 September 2023. They were of the opinion that these statements had complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made. Additional meeting may also be held by the Audit Committee from time to time to discuss special projects or other issues which it considers necessary. The external auditors of the Group may request a meeting of the Audit Committee to be convened if they consider that is necessary.

REMUNERATION COMMITTEE

We have established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The Remuneration Committee consists of three members, namely Mr. Cai Huihui, Ms. Florence Ng and Mr. An Wen Long, our independent non-executive Director, being the chairman of the committee.

The primary duties of the Remuneration Committee are to (i) develop and review the policies and the structure of the remuneration for our Directors; (ii) evaluate the performance of, and make recommendations on the remuneration packages of all Directors and senior management; and (iii) evaluate and make recommendations on employee benefit arrangements.

During FY2023/24, the Remuneration Committee held one meeting to review the remuneration of all Directors and senior management individually regarding their relevant roles, duties, responsibilities, experience and performance, and market rate.

NOMINATION COMMITTEE

We have established the Nomination Committee with written terms of reference in compliance with paragraph B.3 of the CG Code. The nomination committee consists of three members, namely Mr. Wang Wenxing, Mr. An Wen Long and Mr. Wang Jianfeng, our executive Director, being the chairman of the committee.

The primary functions of the Nomination Committee are to make recommendations to our Board in relation to the appointment and removal of Directors, and on matters of succession planning.

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the board diversity policy (the "**Board Diversity Policy**"), including but not limited to gender, age, length of service, cultural and education background and professional experience. The Board contains individuals who have diverse cultural and educational background, professional experience, skills, knowledge and industry experience. The non-executive Directors actively bring their valuable experience to the Board for enhancing the best interests of the Company and the Shareholders as a whole. On the other hand, the independent non-executive Directors also contribute to ensuring that the interests of all Shareholders are taken into account by the Board and that relevant issues are subject to objective consideration by the Board. The biographical details of the Directors are set out pages 11 to 13 of this report.

The Board comprised members of both genders. In implementing the Board Diversity Policy, the Board aims to have a balanced composition and all Board appointments will be based on meritocracy and candidates will be considered against appropriate criteria, having due regard for the benefit of diversity on the Board. The Board currently consists of seven members, including two female directors, accounting for nearly one third of the Board members. Directors are aged from around 37 to 60 years old. The Board targets to maintain at least the current level of female representation and the Nomination Committee shall review the Board Diversity Policy from time to time to ensure its continued effectiveness.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During FY2023/24, the Nomination Committee held one meeting to review the structure, size and composition of the Board and the independence of the independent non-executive Directors.

DIRECTOR NOMINATION POLICY

The Company has adopted a director nomination policy, pursuant to which in evaluating and selecting any candidate for directorship, the following criteria should be considered:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy of the Company that are relevant to the Company's business and corporate strategy.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement 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.
- Any potential contributions the candidate can bring to the Board and/or the Company, as well as the Company's development strategies, future goals and growth, in terms of qualifications, skills, experience, independence, gender and race diversity.
- The candidate's role and position as a member of a diverse Board.
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/ or Board committee(s) of the Company.
- Such 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 the nomination of the Directors and succession planning.

As regards selection and appointment of new Director:

- The Nomination Committee and/or the Board should, upon receipt of a proposal on the appointment of a 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.

- If the process yields more than one desirable candidate, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and the reference check of each candidate (where applicable).

- The Nomination Committee should then recommend that the Board appoint the most appropriate candidate for directorship, as applicable.

- For any person that is nominated by a shareholder for election as a director at a 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 recommendations to the Shareholders with respect to the proposed election of Directors at a general meeting.

As regards re-election of Director at general meeting:

- The Nomination Committee and/or the Board should review the overall contribution and service to the Company of each Director and his level of participation and performance on the Board.

- The Nomination Committee and/or the Board should also review and determine whether the Director continues to meet the criteria as set out above.

- The Nomination Committee and/or the Board should then make recommendations to shareholders in respect of the proposed re-election or replacement of the Directors at a general meeting.

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

BOARD DIVERSITY POLICY

The Board recognises and embraces the benefits of having a diverse board with a view to enhancing its effectiveness and achieving a high standard of corporate governance. Therefore, the Company has adopted a Board Diversity Policy on 8 June 2019 to ensure that candidates to the Board will be selected based on a range of diversity perspectives, including but not limited to gender, age, length of service, cultural and education background and professional experience. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to the Board.

The Nomination Committee is responsible for implementation, monitoring and periodic review of the Board Diversity Policy to ensure its effectiveness and application.

In particular, the Company values gender diversity and will continue to take steps to promote gender diversity at all levels of the Company, including but without limitation to the Board. As at 31 March 2024, among the 37 employees of the Company, the gender ratio was approximately 68% male and 32% female. In recognising the importance of gender diversity, the Company is committed to providing career development opportunities for female staff. Further, the Company has confirmed that the Nomination Committee will identify and recommend and the Company will appoint at least two female candidates to the Board as directors of the Company, representing at least a quarter of the Board, within three years from the Listing Date.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for FY2023/24.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 36 to 41 of this annual report.

AUDITOR'S REMUNERATION

During FY2023/24, the total fee paid/payable in respect of services provided by HLB is set out below:

Service Category	**Fees Paid/ Payable HK$'000**
Audit services	1,150
Non-audit services	300
Total	1,450

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for evaluating and determining the nature and extent of the risks to take in achieving the Group's strategic objectives. The Group has not established a separate internal audit department; however, procedures are in place to provide adequate resources and qualified personnel to carry out the duties of the internal audit function, including annual review of the effectiveness of risk management and internal control. The Group has engaged an external independent consultant to conduct a review on the internal control and risk management systems of the Group during FY2023/24 and to report their findings to the Audit Committee and the Board. The scope of review for FY2023/24 covered overall management control, risk assessment and management, control procedures for revenue, purchasing, property, plant and equipment and human resources management.

Based on review and procedures conducted, the Board considers that the Group's risk management and internal control systems are effective and adequate. However, the risk management and internal control systems of the Group are designed to manage rather than to eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

COMPANY SECRETARY

The company secretary of the Company is Ms. Chow Hoi Fei whose biographical details are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report.

Ms. Chow Hoi Fei has confirmed that she had attained no less than 15 hours of relevant professional training during FY2023/24 as required by Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, separate resolution will be proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

CONVENING AN EXTRAORDINARY GENERAL MEETING

Pursuant to article 58 of the Articles of Association, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

There are no provisions in the Articles of Association or the Companies Law of the Cayman Islands for putting forward proposals of new resolutions by the Shareholders at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph to consider the business specified in the requisition.

PUTTING FORWARD ENQUIRIES TO THE BOARD

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Shareholders may send their enquiries or requests as mentioned above to the following Contact Details:

Address: Office Floor 29, Queen’s Road Centre, 152 Queen’s Road Central, Hong Kong

Fax: (852) 3706 5384

Email: info@silvertide.hk

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders’ information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group’s business performance and strategies. The Company endeavours to maintain an ongoing dialogue with shareholders and in particular, through AGMs and other extraordinary general meetings.

During the Reporting Period, the Company has adopted a Shareholders’ communication policy, which has helped the Company to ensure that the Shareholders will have equal and timely access to the information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company.

At the annual general meeting, Directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries. The Company maintains a website at www.silvertide.hk as a communication platform with the shareholders and investors, where the financial information and other relevant information of the Company are available for public access.

DIVIDEND POLICY

In considering the payment of dividends, there shall be a balance between maintaining sufficient capital to grow the Group's business and rewarding the shareholders of the Company. The Board shall take into account the following factors, among other factors:

(a) the Group's operation and financial performance, profitability, business development, prospects, capital requirements and cash flow;

(b) the amount of distributable reserves of the Company;

(c) the expected capital requirements and future expansion plans of the Group;

(d) the economic outlook, the general business and regulatory conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group;

(e) the statutory and regulatory restrictions;

(f) the interests of the shareholders of the Company; and

(g) other factors that the Board deems relevant.

CONSTITUTIONAL DOCUMENTS

The memorandum and articles of association of the Company was adopted on 8 June 2019 with effect from 28 June 2019, and was replaced by the amended and restated memorandum of association adopted by a special resolution passed on 26 August 2022.

The latest version of the memorandum and articles of association of the Company are available on the websites of the Stock Exchange and the Company.

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

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

TO THE MEMBERS OF SILVER TIDE HOLDINGS LIMITED
(銀濤控股有限公司)
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Silver Tide Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 42 to 111, 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. 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 MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Accounting for construction contracts	
Refer to Notes 5(p), 6, 8 and 22 to the consolidated financial statements We identified recognition of revenue and costs from construction contracts and contract assets as a key audit matter as significant management's estimations and judgements are involved in the determination of the outcome of construction contracts and the progress towards completion of construction works.	Our procedures included but not limited to: • Understanding and evaluating the Group's processes controls over contract revenue and contract costs recognition and budget estimation; • Testing the calculation of revenue and profits recognised for the current year from construction contracts; • Agreeing the progress towards complete satisfaction of the performance obligation to the customers' latest certificates; • Discussing with management and the related project teams about the progress of major projects, and the estimates and assumptions adopted in the estimation of contract revenue and forecast of contract costs, including historical outcomes of similar contracts, forecasted costs to completion and assessment of potential liquidated damages for major contracts; and • Testing the supporting documents of the estimated revenue and budgets on a sample basis, which include historical outcomes of similar contracts, sub-contracting contracts, material purchase contracts and price quotations, etc.

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Expected credit loss of trade receivables and contract assets	
Refer to Notes 5(i), 6, 22, 23 and 41 to the consolidated financial statements We identified the impairment of trade receivables and contract assets under the expected credit losses model as a key audit matter due to the use of significant management judgements and estimates. The Group has applied the simplified approach in calculating the expected credit loss for trade receivables and contract assets.	Our procedures included but not limited to: • Understanding the key controls that the Group has implemented to manage and monitor its credit risk and evaluating management's assessment process for allowance for expected credit losses; • Checking, on a sample basis, the ageing profile of the receivables as at 31 March 2024 to the underlying financial records; • Inquiring of management for the status of each of the material trade receivables and contract assets past due as at year end and corroborating explanations from management with supporting evidence; and • Assessing the appropriateness of the expected credit losses provisioning methodology and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion on these statements on 20 June 2023.

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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

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

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

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

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

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

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

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

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

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

The engagement director on the audit resulting in this independent auditors' report is Lo Kin Kei.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Lo Kin Kei
Practising Certificate Number: P06413

Hong Kong, 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	8	**452,666**	372,086
Cost of services		**(434,364)**	(330,636)
Gross profit		**18,302**	41,450
Other income and gains	8	**1,199**	12,976
Administrative and other operating expenses		**(38,805)**	(27,718)
Other losses	10	**(14,046)**	(15,011)
Finance costs	11	**(109)**	(121)
(Loss)/profit before income tax	9	**(33,459)**	11,576
Income tax credit/(expense)	14	**1,367**	(6,609)
(LOSS)/PROFIT FOR THE YEAR		**(32,092)**	4,967
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(174)**	–
Total comprehensive (loss)/income attributable to owners of the parent		**(32,266)**	4,967
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	16	**HK(3.2) cents**	HK0.5 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	17	**8,510**	13,132
Intangible assets	18	**1,544**	–
Trading right	19	**–**	500
Prepayments, other receivables and other assets	24	**94**	57
Statutory deposits	20	**205**	205
Total non-current assets		**10,353**	13,894
CURRENT ASSETS			
Contract assets	22	**94,440**	149,057
Trade receivables	23	**26,536**	32,743
Tax recoverable		**1,482**	–
Amount due from the ultimate holding company	38(a)	**390**	–
Prepayments, other receivables and other assets	24	**9,310**	8,170
Financial assets at fair value through profit or loss ("FVTPL")	25	**–**	22,393
Trust bank balances held on behalf of customers	26	**24,715**	29,387
Cash and cash equivalents	27	**98,139**	52,219
Total current assets		**255,012**	293,969
CURRENT LIABILITIES			
Trade payables	28	**44,059**	79,234
Amount due to immediate holding company	38(a)	**18,468**	5,328
Other payables and accruals	29	**17,811**	4,876
Lease liabilities	21(b)	**897**	432
Tax payable		**–**	1,367
Total current liabilities		**81,235**	91,237
NET CURRENT ASSETS		**173,777**	202,732
TOTAL ASSETS LESS CURRENT LIABILITIES		**184,130**	216,626

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities	30	**188**	188
Lease liabilities	21(b)	**99**	329
Total non-current liabilities		**287**	517
NET ASSETS		**183,843**	216,109
EQUITY			
Equity attributable to owners of the parent			
Share capital	31	**10,000**	10,000
Reserves	33	**173,843**	206,109
TOTAL EQUITY		**183,843**	216,109

Approved by the Board of Directors on 28 June 2024 and are signed on its behalf by:

Wang Jianfeng
Director

Cai Huihui
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	Attributable to owners of the parent					
	Share capital HK$'000 Note 31	**Share premium** HK$'000	**Merger reserve** HK$'000 Note 33(b)	**Translation reserve** HK$'000 Note 33(c)	**Retained profits** HK$'000	**Total** HK$'000
At 1 April 2022	10,000	99,157	2,000	–	99,985	211,142
Profit and total comprehensive income for the year	–	–	–	–	4,967	4,967
At 31 March 2023 and 1 April 2023	10,000	99,157*	2,000*	–*	104,952*	216,109
Loss and total comprehensive loss for the year	–	–	–	(174)	(32,092)	(32,266)
At 31 March 2024	10,000	99,157*	2,000*	(174)*	72,860*	183,843

* These reserve accounts comprise the consolidated reserves of HK$173,843,000 (2023: HK$206,109,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	Notes	2024 HK$'000	2023 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before income tax		**(33,459)**	11,576
Adjustments for:			
Depreciation of owned assets	9	**6,204**	8,662
Depreciation of right-of-use assets	9	**893**	1,722
Gain on disposal of items of property, plant and equipment	8	**(7)**	(239)
Gain on termination of lease	9	**–**	(136)
Written-off of items of property, plant and equipment	9	**347**	323
Impairment loss of trade receivables	10	**13,247**	687
Impairment loss of retention receivables	10	**–**	208
Impairment loss on trading right	10	**500**	–
Fair value changes arising from financial assets at FVTPL	10	**236**	13,923
Finance costs	11	**109**	121
Interest income	8	**(384)**	(100)
Dividend income on financial assets at FVTPL	8	**(86)**	–
Operating (loss)/profit before working capital changes		**(12,400)**	36,747
Decrease/(increase) in contract assets		**54,617**	(40,060)
Increase in trade receivables		**(7,040)**	(8,669)
(Increase)/decrease in prepayments, other receivables and other assets		**(1,177)**	3,490
Decrease in trust bank balances held on behalf of customers		**4,672**	15,289
(Decrease)/increase in trade payables		**(35,175)**	18,005
Increase in other payables and accruals		**12,935**	148
Cash generated from operations		**16,432**	24,950
Interest received		**384**	100
Dividend income received		**86**	–
Income tax paid		**(1,482)**	–
Income tax refund		**–**	291
Net cash from operating activities		**15,420**	25,341

	Notes	2024 HK$'000	2023 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	17	**(1,713)**	(6,962)
Proceeds from disposal of property, plant and equipment		**7**	282
Acquisition of a subsidiary		**(1,530)**	–
Purchases of financial assets at FVTPL		**(9,989)**	(44,943)
Sales of financial assets at FVTPL		**32,146**	43,840
Advances to the ultimate holding company		**(390)**	–
Repayment from a related party		**–**	124
Net cash from/(used in) investing activities		**18,531**	(7,659)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid for bank overdrafts		**(3)**	–
Interest paid for lease liabilities		**(106)**	(121)
Principal portion of lease payments		**(874)**	(1,643)
Advances from the immediate holding company		**13,140**	5,328
Net cash from financing activities		**12,157**	3,564
NET INCREASE IN CASH AND CASH EQUIVALENTS		**46,108**	21,246
Cash and cash equivalents at beginning of year		**52,219**	30,973
Effect of foreign exchange rate changes, net		**(188)**	–
CASH AND CASH EQUIVALENTS AT END OF YEAR	27	**98,139**	52,219

1. CORPORATE AND GROUP INFORMATION

Silver Tide Holdings Limited (the "Company") is an exempted company incorporated in the Cayman Islands on 24 July 2018 with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of operations of the Company is located at Floor 29, Queen's Road Centre, 152 Queen's Road Central, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in (i) providing construction services, including traditional formwork using timber and plywood, system formwork using aluminium and steel, and ancillary works such as concrete works and reinforcement works for the public and private sectors in Hong Kong and (ii) securities dealing and broking.

In the opinion of the directors of the Company, the immediate holding company of the Company is Central Force Premium Group Limited and the ultimate holding company of the Company is Regal Loyalty Limited, which both are incorporated in the British Virgin Islands ("BVI").

Information about principal subsidiaries

Particulars of the Company's principal subsidiaries at 31 March 2024 and 2023 are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Hop Fat Yuk Ying Engineering Limited	Hong Kong	HK$2,000,000	–	100	Construction services
Yellow River Securities Limited	Hong Kong	HK$11,000,000	–	100	Securities dealing and broking
上海壘韜建築工程有限公司 (note 35)	People's Republic of China (the "PRC")	Registered capital RMB42,000,000	–	100	Construction services

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

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("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 Main Board of the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies below.

The preparation of the consolidated financial statements in accordance with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 6. The consolidated financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

Basis for consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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 ("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 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.

Impacts on application of Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 *Income Taxes* so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

(i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 April 2022;

(ii) the Group also, as at 1 April 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance.

4. ISSUED BUT NOT YET EFFECTIVE HKFRSs

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[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.

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

5. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of. each reporting period.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(c) Impairment of non-financial assets

Where an indication of impairment exists for other non-financial assets, or when annual impairment testing for intangible asset with indefinite useful economic lives is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

(d) Intangible asset – trading right and licence

Intangible asset acquired separately was initially recognised at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Subsequently, intangible asset with indefinite useful lives was carried at cost less any accumulated impairment losses.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(e) Related parties

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

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

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or of a parent of the Group; or

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

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(f) Property, plant and equipment and depreciation

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

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimate useful lives and bases used are as follows:

Owned assets	
Furniture, fixtures and office equipment	5 years on the reducing balance basis
Tools and equipment	5 years on the reducing balance basis
Motor vehicles	5 years on the reducing balance basis
Computer equipment	5 years on the reducing balance basis
Right-of-use assets	
Buildings	Over the lease terms on the straight-line basis

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year/period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(g) Leases

The Group assesses at contract inception whether a contract is, or contain, 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis as detailed in the "Property, plant and equipment and depreciation" policy above.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group presents right-of-use assets in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g. a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

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

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(g) Leases (continued)

Group as a lessee (continued)

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of properties (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(d) *Lease modification*

The Group accounts for a lease modification as a separate lease if:

– the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

– the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand- alone price of the lease component and the aggregate stand-alone price of the non-lease components.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(g) Leases (continued)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of the leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in other income and gains in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

(h) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on their contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(h) Financial assets (continued)

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held with a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets measured at FVTPL

Financial assets measured 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 does not includes any dividend or interest earned on the financial assets.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the assets have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, and either (a) the Group has transferred substantially all the risks and rewards of the assets, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(h) Financial assets (continued)

Derecognition of financial assets (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(i) Impairment of financial assets

The Group recognised an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Impairment of financial assets (continued)

General approach (continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are no purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its credit risks of trade debtors, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

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

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Impairment of financial assets (continued)

Simplified approach (continued)

The Group considers a financial asset to be credit-impaired when:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or being more than 90 days past due;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties.

The Group recognises an impairment loss or reversal in profit or loss for financial assets at amortised cost with a corresponding adjustment to their carrying amount through a loss allowance account.

The Group writes off a financial asset when there is information indicating that the debtor 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. Any recoveries made are recognised in profit or loss.

(j) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(j) Financial liabilities (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

(k) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(l) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks.

(m) Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in profit or loss.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(n) Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(n) Income tax (continued)

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

(o) Government grants

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

(p) Revenue recognition

Revenue from contracts with customers

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

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(p) Revenue recognition (continued)

Revenue from contracts with customers (continued)

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

Construction services

Revenue from the provision of construction services is recognised over time, using an output method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The output method recognises revenue in accordance with the direct measurements of the value of the services transferred by the Group to the customer with reference to the certified value of work performed to date.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original contract. Claims are accounted for as variable considerations and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable considerations is subsequently resolved. The Group uses the expected value method to estimate the amounts of claims because this method best predicts the amount of variable considerations to which the Group will be entitled.

Commission income

The Group earns commissions from execution of client transactions in the trading securities and listed derivatives. The execution of client transactions also included settlement and clearing services, which are provided together and represent a single performance obligation as the services are not separately identifiable from other promises within the context of the contract. Commissions are recognised at a point in time on trade date when the performance obligation is satisfied, that is when the customer obtained the rights to the underlying financial instruments.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(q) Other income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

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

(r) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

(s) Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

A contract asset and a contract liability relating to the same contract are accounted forward presented on a net basis.

(t) Contract costs

Other than the costs which are capitalised as property, plant and equipment, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised. Other contract costs are expensed as incurred.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(u) Other employee benefits

Pension scheme

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

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measure on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(w) Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

5. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(x) Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

6. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

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

Accounting for construction contracts

The Group's revenue from construction contracts are recognised over time using the output method and is measured in accordance with the progress towards complete satisfaction of the performance obligations. This involves the use of management judgements and estimation uncertainty, including estimating the progress towards completion of the services, scope of deliveries and services required, total contract costs incurred, forecasting the costs to complete a contract, valuing contract variations, claims and potential liquidated damages and estimating the provision for onerous contracts. Budgeted contract costs are prepared by the management on the basis of contract concluded with and/or quotations provided by the major sub-contractors, suppliers or vendors involved from time to time and the experience of the management. The profitability of each project is dependent on the estimation of the total outcome of the contract, as well as the work done to date. The Group reviews and revises the estimates of contract revenue, contract costs to completion, variation orders and contract claims prepared for each construction contract as the contract progresses. Significant judgement is required in estimating the contract revenue, contract costs to completion, variation works and contract claims which may have an impact in terms of progress towards complete satisfaction of the performance obligations and recognition of profit. Actual outcomes of total contract revenue and contract costs may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

Impairment assessment of trade receivables and contract assets

The policy for impairment of trade receivables and contract assets of the Group is based on the evaluation of collectability and ageing analysis of trade receivables and contract assets as well as other quantitative and qualitative information and on management's judgement and assessment of the forward-looking information. Significant judgement and estimates are required in assessing the ultimate realisation of these assets, based on the current creditworthiness, the past collection history and subsequent settlements of each customer. If the financial conditions of customers of the Group and the future economic conditions were to deteriorate, resulting in an impairment of their ability to make payments, additional provisions may be required. Further details are disclosed in notes 22, 23 and 41 to the consolidated financial statements.

7. OPERATING SEGMENT INFORMATION

The information reported to the directors of the Company, who are the chief operating decision makers ("CODM"), for the purpose of resource allocation and assessment of performance contain discrete operating segment financial information and the directors review the financial results of these components' performance. The Group has identified two reportable segments. The Group's reportable segments are i) construction services; and ii) dealing and broking. The segments are managed separately as each business offers different services and requires different business strategies.

(a) Segment revenue and results

For the year ended 31 March 2024

	Construction services HK$'000	Dealing and broking HK$'000	Total HK$'000
REVENUE			
Revenue to external customers	**452,263**	**403**	**452,666**
RESULT			
Segment loss	**(22,245)**	**(3,176)**	**(25,421)**
Unallocated other income			**268**
Unallocated corporate expenses			**(8,197)**
Finance costs			**(109)**
Loss before income tax			**(33,459)**

For the year ended 31 March 2023

	Construction services HK$'000	Dealing and broking HK$'000	Total HK$'000
REVENUE			
Revenue to external customers	370,321	1,765	372,086
RESULT			
Segment profit/(loss)	33,063	(1,233)	31,830
Unallocated other income			96
Unallocated corporate expenses			(20,229)
Finance costs			(121)
Profit before income tax			11,576

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments without allocation of central administrative expenses.

7. OPERATING SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	2024 HK$'000	2023 HK$'000
Assets		
Construction services	**230,902**	243,487
Dealing and broking	**31,193**	37,199
Segment assets	**262,095**	280,686
Unallocated	**3,270**	27,177
Total assets	**265,365**	307,863

	2024 HK$'000	2023 HK$'000
Liabilities		
Construction services	**35,412**	54,388
Dealing and broking	**26,158**	29,982
Segment liabilities	**61,570**	84,370
Unallocated	**19,952**	7,384
Total liabilities	**81,522**	91,754

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases: Segment assets include all tangible, intangible assets, non-current portion of prepayments, other receivables and other assets, statutory deposits and current assets except financial assets at fair value through profit or loss. Segment liabilities include trade payables, other payables and accruals, deferred tax liabilities and tax payable attributable to the construction and dealing and broking services activities of the individual segments.

7. OPERATING SEGMENT INFORMATION (continued)

(c) Other segment information included in segment profit or segment assets

For the year ended 31 March 2024

	Construction services HK$'000	Dealing and broking HK$'000	Unallocated HK$'000	Total HK$'000
Interest income	(156)	(227)	(1)	(384)
Depreciation of property, plant and equipment	6,194	10	–	6,204
Depreciation of right-of-use assets	-	462	431	893
Impairment loss on trade receivables	13,247	–	–	13,247
Impairment loss on trading right	–	500	–	500
Additions to property, plant and equipment	1,702	11	–	1,713
Additions to right-of-use assets	–	1,109	–	1,109
Fair value loss arising from financial assets at FVTPL	–	–	236	236
Dividend income on financial assets at FVTPL	–	–	(86)	(86)
Gain on disposal of property, plant and equipment	(7)	–	–	(7)
Written off property, plant and equipment	347	–	–	347

7. OPERATING SEGMENT INFORMATION (continued)

(c) Other segment information included in segment profit or segment assets (continued)

For the year ended 31 March 2023

	Construction services HK$'000	Dealing and broking HK$'000	Unallocated HK$'000	Total HK$'000
Interest income	(26)	(74)	–	(100)
Depreciation of property, plant and equipment	8,644	18	–	8,662
Depreciation of right-of-use assets	1,579	–	143	1,722
Impairment loss on trade receivables	687	–	–	687
Impairment loss on retention receivables	208	–	–	208
Additions to property, plant and equipment	6,962	–	–	6,962
Additions to right-of-use assets	–	–	897	897
Fair value loss arising from financial assets at FVTPL	–	–	13,923	13,923
Gain on disposal of property, plant and equipment	(239)	–	–	(239)
Written off property, plant and equipment	323	–	–	323

Geographical information

No geographical information is presented as the Group's revenue was solely derived from customers in Hong Kong and the non-current assets of the Group were mainly located in Hong Kong.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the year is set out below:

	2024 HK$'000	2023 HK$'000
Customer I[1]	**188,047**	254,848
Customer II[1]	**207,109**	87,777
Customer III[1]	**52,658**	N/A[2]

[1] Revenue from construction services.

[2] The corresponding revenue did not contribute over 10% of the total revenue of the Group during the corresponding year.

8. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of services rendered and earned by the Group. All the Group's revenue (other than interest income) is derived from contracts with customers under HKFRS 15.

An analysis of revenue, other income and gains is as follows:

	2024 HK$'000	2023 HK$'000
Revenue		
Construction services		
Private sector	**425,448**	346,440
Public sector	**26,815**	23,881
	452,263	370,321
Dealing and broking services		
Brokerage commission	**362**	1,657
Interest income	**41**	108
	403	1,765
	452,666	372,086
Other income and gains		
Interest income	**384**	100
Rental income	**332**	1,319
Government grants*	**204**	11,176
Gain on disposal of items of property, plant and equipment	**7**	239
Dividend income on financial assets at FVTPL	**86**	–
Others	**186**	142
	1,199	12,976

* Grants have been received from the Construction Industry Council, an institution established by the Government of the Hong Kong Special Administrative Region, for strengthening hygienic control measures, providing on-the-job training for graduate engineers and trainees and the Government subsidies under Employee Support Scheme for the Covid-19 pandemic. There were no unfulfilled conditions or contingencies relating to these grants.

8. REVENUE, OTHER INCOME AND GAINS (continued)

Performance obligations for contracts with customers

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of issuance of payment certificate. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Dealings in securities

The Group provides dealing and broking services for securities. Commission income is recognised at a point in time on the execution date of the trades at a certain percentage of the transaction value of the trades executed.

Unsatisfied performance obligations related to construction contracts:

	2024 HK$'000	2023 HK$'000
Amount expected to be recognised as revenue:		
Within one year	89,665	239,943
After one year	19,069	95,915
	108,734	335,858

The amount of transaction prices allocated to the remaining performance obligations which are expected to be recognised after one year relate to construction services, of which the performance obligations are to be satisfied within two years. All the other amount of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amount disclosed above do not include variable consideration which is constrained.

9. (LOSS)/PROFIT BEFORE INCOME TAX

The Group's (loss)/profit before income tax is arrived at after charging/(crediting):

	Notes	2024 HK$'000	2023 HK$'000
Depreciation of owned assets	17	**6,204**	8,662
Depreciation of right-of-use assets	17	**893**	1,722
Total depreciation		**7,097**	10,384
Expenses related to short-term leases		**614**	2,097
Auditors' remuneration		**1,150**	1,050
Employee benefit expense (including directors' and chief executive's remuneration (note 12)):			
Wages and salaries		**31,819**	17,601
Pension scheme contributions		**472**	596
		32,291	18,197
Gain on termination of lease		**–**	(136)
Written-off of items of property, plant and equipment	17	**347**	323

10. OTHER LOSSES

An analysis of other losses is as follows:

	2024 HK$'000	2023 HK$'000
Fair values loss arising from financial assets at FVTPL	**236**	13,923
Impairment loss on trade receivables	**13,247**	687
Impairment loss on retention receivables	**–**	208
Impairment loss on trading right	**500**	–
Others	**63**	193
	14,046	15,011

11. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 HK$'000	2023 HK$'000
Interest on bank overdrafts	**3**	–
Interest on lease liabilities	**106**	121
	109	121

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, is as follows:

	2024 HK$'000	2023 HK$'000
Fees	**1,501**	1,071
Other emoluments:		
Salaries, allowances and benefits in kind	**–**	1,881
Pension scheme contributions	**–**	51
	–	1,932
	1,501	3,003

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Independent non-executive director

2024

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
Mr. Wang Wenxing	**250**	**–**	**–**	**250**
Mr. Xu Da	**176**	**–**	**–**	**176**
Ms. Florence Ng	**250**	**–**	**–**	**250**
Mr. An Wen Long	**75**	**–**	**–**	**75**
	751	**–**	**–**	**751**

2023

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
Mr. Law Chi Hung	133	–	7	140
Mr. Pau Chi Hoi	133	–	7	140
Mr. Tang Chi Wang	133	–	7	140
Mr. Wang Wenxing	112	–	–	112
Mr. Xu Da	112	–	–	112
Ms. Florence Ng	112	–	–	112
	735	–	21	756

Mr. Wang Wenxing, Mr. Xu Da and Ms. Florence Ng were appointed as independent non-executive director of the Company on 20 October 2022, and Mr. Law Chi Hung, Mr. Pau Chi Hoi and Mr. Tang Chi Wang were resigned as independent non-executive director of the Company on 20 October 2022. Mr. An Wen Long was appointed as independent non-executive director of the Company on 13 December 2023, and Mr. Xu Da was resigned as independent non-executive director of the Company on 13 December 2023. There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive director

2024

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
Mr. Wang Jianfeng	–	–	–	–

2023

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
Mr. Ip Chi Ming	–	1,329	10	1,339
Mr. Wong Kin Wah	–	352	10	362
Ms. Hui Nok Yi	–	200	10	210
Mr. Wang Jianfeng	–	–	–	–
	–	1,881	30	1,911

Mr. Wang Jianfeng was appointed as executive director of the Company on 20 October 2022, and Mr. Ip Chi Ming, Mr. Wong Kin Wah and Ms. Hui Nok Yi were resigned as executive director of the Company on 20 October 2022. There was an arrangement under which Mr. Wang Jianfeng agreed to waive his remuneration of HK$1,987,000 during the year (2023: HK$892,000).

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(c) Non-executive director

The fee paid to non-executive directors during the year were as follows:

	2024 HK$'000	2023 HK$'000
Mr. Cai Huihui	**250**	112
Ms. Liu Jingna	**250**	112
Mr. Ruan Dongdong	**250**	112
	750	336

Mr. Cai Huihui, Ms. Liu Jingna and Mr. Ruan Dongdong were appointed as non-executive director of the Company on 20 October 2022. There were no other emoluments payable to the non-executive directors during the year (2023: Nil).

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees included nil director (2023: one director), details of whose remuneration are set out in note 12 above. Details of the remuneration for the year of the remaining five (2023: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 HK$'000	2023 HK$'000
Salaries, allowances and benefits in kind	**5,493**	3,196
Discretionary bonuses	**13,745**	181
Pension scheme contributions	**90**	78
	19,328	3,455

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	Number of employees	
	2024	2023
Nil to HK$1,000,000	**4**	3
HK$1,000,001 to HK$1,500,000	**–**	1
HK$1,500,001 to HK$2,000,000	**1**	–

During the years ended 31 March 2024 and 2023, no emoluments were paid by the Group to the five highest paid employees as an inducement to join or upon joining or as a compensation for loss of office the Group.

14. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for a subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2 million of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the year.

	2024 **HK$'000**	2023 HK$'000
Current – Hong Kong		
Charge for the year	**–**	1,376
Over-provision in respect of prior years	**(1,367)**	–
Deferred tax (note 30)	**–**	5,233
Total tax (credit)/charge for the year	**(1,367)**	6,609

A reconciliation of the tax (credit)/charge applicable to (loss)/profit before income tax at the statutory rate for the jurisdiction in which the Group's major subsidiary is domiciled to the tax (credit)/charge at the effective tax rate is as follows:

	2024 **HK$'000**	2023 HK$'000
(Loss)/profit before income tax	**(33,459)**	11,576
Tax at the statutory tax rate of 16.5%	**(5,521)**	1,910
Income not subject to tax	**(65)**	(17)
Expenses not deductible for tax purpose	**1,779**	4,881
Tax effect of tax losses not recognised	**3,807**	–
Tax effect of two-tiered profits tax rates regime	**–**	(165)
Over-provision in respect of prior years	**(1,367)**	–
Tax (credit)/charge at the Group's effective rate	**(1,367)**	6,609

15. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 March 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

16. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic and diluted (loss)/earnings per share is based on:

	2024	2023
	HK$'000	HK$'000
(Loss)/profit attributable to ordinary equity holders of the Company for the purpose of calculating (loss)/earnings per share	**(32,092)**	4,967

	Number of shares	
	2024	2023
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	**1,000,000**	1,000,000

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2024 and 2023.

17. PROPERTY, PLANT AND EQUIPMENT

	Owned assets						
	Furniture, fixtures and office equipment HK$'000	Tools and equipment HK$'000	Motor vehicles HK$'000	Computer equipment HK$'000	Total HK$'000	Right-of-use assets HK$'000 (note 21(a))	Total HK$'000
31 March 2024							
At 1 April 2023							
Cost	120	43,939	4,461	197	48,717	897	49,614
Accumulated depreciation	(110)	(32,427)	(3,633)	(170)	(36,340)	(142)	(36,482)
Net carrying amount	10	11,512	828	27	12,377	755	13,132
At 1 April 2023, net of accumulated depreciation	10	11,512	828	27	12,377	755	13,132
Additions	–	462	616	635	1,713	1,109	2,822
Written off (note 9)	–	(347)	–	–	(347)	–	(347)
Depreciation provided during the year (note 9)	(8)	(5,335)	(564)	(297)	(6,204)	(893)	(7,097)
At 31 March 2024, net of accumulated depreciation	2	6,292	880	365	7,539	971	8,510
At 31 March 2024:							
Cost	120	41,747	5,077	832	47,776	2,006	49,782
Accumulated depreciation	(118)	(35,455)	(4,197)	(467)	(40,237)	(1,035)	(41,272)
Net carrying amount	2	6,292	880	365	7,539	971	8,510

17. PROPERTY, PLANT AND EQUIPMENT (continued)

	Owned assets						
	Furniture, fixtures and office equipment HK$'000	Tools and equipment HK$'000	Motor vehicles HK$'000	Computer equipment HK$'000	Total HK$'000	Right-of-use assets HK$'000 (note 21(a))	Total HK$'000
31 March 2023							
At 1 April 2022							
Cost	120	40,286	4,461	197	45,064	7,414	52,478
Accumulated depreciation	(94)	(27,430)	(2,954)	(143)	(30,621)	(1,852)	(32,473)
Net carrying amount	26	12,856	1,507	54	14,443	5,562	20,005
At 1 April 2022, net of accumulated depreciation	26	12,856	1,507	54	14,443	5,562	20,005
Additions	–	6,962	–	–	6,962	897	7,859
Disposals	–	(43)	–	–	(43)	–	(43)
Written off (note 9)	–	(323)	–	–	(323)	–	(323)
Termination of lease	–	–	–	–	–	(3,982)	(3,982)
Depreciation provided during the year (note 9)	(16)	(7,940)	(679)	(27)	(8,662)	(1,722)	(10,384)
At 31 March 2023, net of accumulated depreciation	10	11,512	828	27	12,377	755	13,132
At 31 March 2023:							
Cost	120	43,939	4,461	197	48,717	897	49,614
Accumulated depreciation	(110)	(32,427)	(3,633)	(170)	(36,340)	(142)	(36,482)
Net carrying amount	10	11,512	828	27	12,377	755	13,132

18. INTANGIBLE ASSET

	Licence HK$'000
At 1 April 2023	
Arising on acquisition of a subsidiary (note 35)	1,530
Exchange adjustments	14
At 31 March 2024	**1,544**

The licence represents a second class main contractor in general construction works licence (建築工程施工總承包貳級) in the PRC which were purchased as part of acquisition of a subsidiary during the year.

The licence is considered by the management of the Group as having an indefinite useful life as it is expected to generate economic benefit to the Group indefinitely. The licence will not be amortised until its useful life is determined to be finite.

During the year, the management performed impairment review for the licence. The recoverable amount of the licence has been determined by a value-in-use calculation based on the cash flow forecast derived from the most recent financial budgets and estimate future cash flows covering a 5-year period as approved by management. The CGU's cash flows are extrapolated using a steady 2% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. All cash flows are using a pre-tax discount rate of 16%, that reflect the risks specific to the licence. No impairment loss was recognised for year as the recoverable amount to the licence exceeded its carrying amount.

19. TRADING RIGHT

	Trading right HK$'000
At 1 April 2022, 31 March 2023 and 1 April 2023	500
Impairment	(500)
At 31 March 2024	–

Trading right confers a right to the Group to trade securities on or through The Stock Exchange of Hong Kong Limited (the "Stock Exchange") such that the Group can conduct the securities brokerage business. Trading right is considered by the directors of the Group as having indefinite useful life because there is no foreseeable limit to the period over which the trading right is expected to generate cash flows to the Group. Trading right is not amortised until its useful life is determined to be finite. Instead, it is tested for impairment annually and whenever there is an indication that it may be impaired.

19. TRADING RIGHT (continued)

Trading right is tested for impairment by the directors by estimating its recoverable amount based on value-in-use calculations. The carrying amount of the CGU to which trading right belong is determined using cash flow projection which is based on the financial budget approved by management covering a period of five years and a pre-tax discount rate of 13% (2023: 12%) per annum. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 0% (2023: 3%). Revenue growth rate are based on the directors' best estimate on the average growth rate of the industry. The key assumptions for the value-in-use calculation are those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which are determined by the management based on the past performance and management's expectations for the market development.

During the year ended 31 March 2024, the recoverable amount of the CGU was assessed to be less than the carrying amount due to the current adverse market conditions and the adverse impacts on the CGU's operations, management estimated that the future net cash flows that could be generated from the operations of this CGU in the future years would unlikely be significant. The directors of the Company have consequently determined the carrying amount of trading right allocated to this CGU amounting to approximately HK$500,000 has been fully impaired as at 31 March 2024. The impairment loss has been included in profit or loss in "other losses".

20. STATUTORY DEPOSITS

	2024 HK$'000	2023 HK$'000
Deposits with the Stock Exchange		
– Compensation Fund	**50**	50
– Fidelity Fund	**50**	50
– Stamp duty	**5**	5
Contributions to Guarantee Fund of Hong Kong Securities Clearing Company Limited ("HKSCC")	**50**	50
Admission fee paid to HKSCC	**50**	50
	205	205

The balances with the Stock Exchange and HKSCC are considered to have low credit risk as the counterparties have a low risk of default and does not have any past due amounts. Impairment on these balances has been measured at an amount equal to 12-month ECLs. No loss allowance is recognised as the amount of ECLs on these balances is insignificant.

21. LEASES

The Group as a lessee

The Group has lease contracts for properties used in its operations. Leases of properties generally have lease terms between 1 and 2 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amount of right-of-use assets and the movements during the year are as follows:

	Buildings	
	2024 HK$'000	2023 HK$'000
At 1 April	**755**	5,562
Additions	**1,109**	897
Termination of lease	**–**	(3,982)
Depreciation charge	**(893)**	(1,722)
At 31 March	**971**	755

21. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2024 HK$'000	2023 HK$'000
At 1 April	**761**	5,625
New leases	**1,109**	897
Termination of lease	**–**	(4,118)
Accretion of interest recognised during the year	**106**	121
Payments	**(980)**	(1,764)
At 31 March	**996**	761

	2024 HK$'000	2023 HK$'000
Lease liabilities payable:		
Within one year	**897**	432
Within a period of more than one year but not exceeding two years	**99**	329
	996	761
Less: Amount due for settlement within 12 months shown under current liabilities	**(897)**	(432)
Amount due for settlement after 12 months shown under non-current liabilities	**99**	329

The weighted average incremental borrowing rates applied to lease liabilities range from 7.7% to 8.4% (2023: 8.4%).

(c) The amounts recognised in the consolidated statement of profit or loss in relation to leases are as follows:

	2024 HK$'000	2023 HK$'000
Interest on lease liabilities	**106**	121
Depreciation charge of right-of-use assets	**893**	1,722
Expenses related to short-term leases (included in administrative and other operating expenses and cost of services)	**614**	2,097
Total amount recognised in the consolidated statement of profit or loss	**1,613**	3,940

21. LEASES (continued)

The Group as a lessee (continued)

(d) The total cash outflow for leases is disclosed in note 34(c) to the consolidated financial statements.

(e) The Group regularly entered into short-term leases for leased out tools and equipment. As at 31 March 2024 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

22. CONTRACT ASSETS

	2024	2023
	HK$'000	HK$'000
Contract assets		
Unbilled revenue	**19,519**	50,915
Retention receivables	**75,129**	98,350
Less: impairment loss on retention receivables	**(208)**	(208)
	94,440	149,057

As at 1 April 2022, contract assets amounted to approximately HK$144,710,000.

Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed and not yet billed because the rights are conditional upon the quality and quantity check 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.

Retention receivables included in contract assets represent the Group's right to consideration for work performed but not yet collectible 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 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.

Among the above contract assets, HK$18,459,000 as at 31 March 2024 (2023: HK$45,754,000) are expected to be recovered after twelve months from the end of the reporting period. The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

Details of expected credit losses are disclosed in note 41 to the consolidated financial statements.

23. TRADE RECEIVABLES

	Notes	2024 HK$'000	2023 HK$'000
Construction service	(a)	**39,738**	32,717
Arising from securities brokerage of cash customers	(b)	**732**	713
Less: impairment loss on trade receivables	(c)	**(13,934)**	(687)
		26,536	32,743

Trade receivables related to construction service and arising from securities brokerage of cash customers as at 1 April 2022 are approximately HK$23,359,000 and HK$1,402,000 respectively.

Notes:

(a) The amount represented receivables for contract works. Management generally submit interim payment applications to customers on a monthly basis containing a statement setting out management's estimation of the valuation of the works completed in the preceding month. Upon receiving the interim payment application, the architect or the consultant of the customer will verify such valuation of works completed and issue an interim payment certificate within 30 days. Within 30 days after the issuance of the interim payment certificate, the customer will make payment to the Group based on the certified amount stipulated in such certificate, deducting any retention money in accordance with the contract. Trade receivables are non-interest-bearing.

(b) Amounts due from cash customers for securities brokerage is required to be settled on the settlement dates of their respective transactions (normally one to two business days after the respective trade dates). After the settlement dates, it bears interest at commercial rates (normally ranging from 8.375% to 14% per annum) and the Group is entitled to sell the securities held in their accounts and use the sales proceeds to discharge their obligations to the Group when the customers failed to deposit the amount after settlement date.

An ageing analysis of trade receivables based on the invoice date or progress payment certificate date is as follows:

	2024 HK$'000	2023 HK$'000
Within 30 days	**26,536**	27,972
31 to 60 days	**–**	–
61 to 90 days	**–**	189
Over 90 days	**–**	4,582
	26,536	32,743

(c) Movements in the impairment loss are as follows:

	2024 HK$'000	2023 HK$'000
Balance at beginning of the year	**687**	–
Impairment loss recognised on trade receivables	**13,247**	687
	13,934	687

Details of expected credit losses are disclosed in note 41 to the financial statements.

24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	2024 HK$'000	2023 HK$'000
Non-current:			
Deposit		94	57
Current:			
Reimbursable expense	(a)	8,352	6,930
Prepayments	(b)	604	667
Deposit		44	163
Others		310	410
		9,310	8,170

Notes:

(a) The amounts represented costs incurred by the Group for personal injuries suffered by employees of the Group or the Group's sub-contractors in accidents arising out of and in the course of their employment. The amounts are covered by the main contractors' all risk insurance and are expected to be recovered from the main contractors.

(b) As at 31 March 2024, the amounts represented the prepayment for purchases of raw materials amounting to HK$604,000 (2023: HK$667,000).

Details of expected credit losses are disclosed in note 41 to the consolidated financial statements.

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2024 HK$'000	2023 HK$'000
Listed equity investments measured at FVTPL	–	22,393

During the year ended 31 March 2023, the Group acquired shares of the listed companies that all listed in Hong Kong Exchanges and Clearing Limited ("HKEX"). The equity investments were classified as financial assets at FVTPL as these investments are held for trading. The equity investments were disposed during the year ended 31 March 2024.

The fair value of listed securities is based on published market prices.

26. TRUST BANK BALANCES HELD ON BEHALF OF CUSTOMERS

	2024 HK$'000	2023 HK$'000
Trust bank balances	**24,715**	29,387

In the course of conducting the securities broking business, the Group maintains segregated trust accounts with authorised institutions to hold customers' monies. The Group classifies customers' monies separately under current assets in the consolidated statement of financial position and has recognised the corresponding trade payables to respective customers (note 28) on the ground that it is liable for any loss or misappropriation of customers' monies and does not have a currently enforceable right to offset those payables with the deposits placed.

27. CASH AND CASH EQUIVALENTS

	2024 HK$'000	2023 HK$'000
Cash and cash equivalents	**98,139**	52,219

Cash and cash equivalents include cash at banks which earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

28. TRADE PAYABLES

	Note	2024 HK$'000	2023 HK$'000
Construction service		**18,639**	49,321
Arising from securities brokerage of cash customers	(a)	**24,692**	29,378
Arising from securities of HKSCC	(a)	**728**	535
		44,059	79,234

Note:

(a) Trade payables arising from securities broking business are repayable on demand subsequent to settlement date (normally one to two business days after the respective trade dates).

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice date or the progress payment certificate date, is as follows:

	2024 HK$'000	2023 HK$'000
Within 30 days	**43,499**	72,974
31 to 60 days	**100**	6,260
61 to 90 days	**–**	–
Over 90 days	**460**	–
	44,059	79,234

Trade payables are non-interest-bearing. The payment terms of trade payables from construction service are stipulated in the relevant contracts with credit periods of 30 days in general.

29. OTHER PAYABLES AND ACCRUALS

	2024 HK$'000	2023 HK$'000
Accruals	**17,641**	4,531
Other payables	**170**	345
	17,811	4,876

Other payables are non-interest-bearing and have an average term of one month.

30. DEFERRED TAX

The movements in deferred tax assets/(liabilities) during the year are as follows:

	Accelerated tax depreciation HK$'000	Tax loss HK$'000	Right-of-use assets HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 April 2022 (audited)	(659)	5,704	–	–	5,045
Adjustment (note 3)	–	–	(928)	928	–
At 1 April 2022 (restated)	(659)	5,704	(928)	928	5,045
Termination of lease	–	–	679	(679)	–
New leases entered	–	–	(148)	148	–
Charged/(credited) to profit or loss (note 14)	471	(5,704)	271	(271)	(5,233)
At 31 March 2023 and 1 April 2023 (restated)	(188)	–	(126)	126	(188)
New leases entered	–	–	(183)	183	–
Charged/(credited) to profit or loss (note 14)	–	–	144	(144)	–
At 31 March 2024	(188)	–	(165)	165	(188)

For presentation purposes, deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2024 HK$'000	2023 HK$'000
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(188)**	(188)

The Group had unused tax losses of approximately HK$23,070,000 (2023: Nil) to carry forward against future taxable profits which are subject to agreement by tax authorities. All tax losses were related to certain subsidiaries operating in Hong Kong and could be carried forward indefinitely under the current tax legislation.

31. SHARE CAPITAL

Details of the share capital of the Company are as follows:

	Number of ordinary shares of HK$0.01 each	Nominal value of ordinary shares HK$'000
Authorised:		
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	2,000,000,000	20,000

	Number of shares in issue	Amount HK$'000
Issued and fully paid:		
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	1,000,000,000	10,000

32. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. Eligible participants of the Scheme include the Company's directors, full-time or part-time employees of the Group, consultant, adviser, substantial shareholder, distributor, contractor, supplier, agent, customer, business partner and service provider of the Group. The Scheme became effective on 8 June 2019 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised shares in respect of which options may be granted under the Scheme is such a number of shares representing 10% of the issued share capital of the Company as at the Listing Date, i.e. 100,000,000 shares. The 10% limit may be refreshed at any time by approval of the shareholders in the general meeting. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to directors, chief executive or substantial shareholders of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

32. SHARE OPTION SCHEME (continued)

The offer of a grant of share options must be accepted within 7 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors and ends on a date which is not later than 10 years from the date of offer of the share options.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the closing price of the shares of the Company as stated in the Stock Exchange daily quotations sheet on the date of grant of the share options; (ii) the average closing prices of the shares of the Company as stated in the Stock Exchange daily quotations sheet for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the shares of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

No option has been granted from the date of adoption of the Scheme up to the date of approval of these consolidated financial statements.

33. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

(b) Merger reserve

The merger reserve represents the aggregate of the paid-up share capital of the subsidiaries now comprising the Group before the completion of the reorganisation carried out in initial public offering.

(c) Translation reserve

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions of right-of-use assets and lease liabilities of HK$1,109,000 and HK$1,109,000, respectively, in respect of lease arrangements for properties (2023: HK$897,000 and HK$897,000, respectively).

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities:

	Lease liabilities HK$'000
At 1 April 2022	5,625
Changes from financing cash flows	(1,764)
New leases	897
Interest expenses	121
Termination of lease	(4,118)
At 31 March 2023 and 1 April 2023	761
Changes from financing cash flows	(980)
New leases	1,109
Interest expenses	106
At 31 March 2024	996

(c) Total cash outflow of leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2024 HK$'000	2023 HK$'000
Within operating activities	**614**	2,097
Within financing activities	**980**	1,764
	1,594	3,861

35. ACQUISITION OF ASSET

In October 2023, the Group entered into a sale and purchase agreement with a third party, pursuant to which the Group acquired the entire equity interest of 上海壘韜建築工程有限公司 at a cash consideration of RMB1,430,000 (equivalent to approximately HK$1,530,000).

上海壘韜建築工程有限公司 was incorporated in the PRC and owns a construction licence in the PRC. 上海壘韜建築工程有限公司 did not operate any business at the date of completion of acquisition and there were no assets and liabilities other than the construction licence. The acquisition was accounted for acquisition of asset and the consideration was allocated to intangible asset.

36. CONTINGENT LIABILITIES

Claims of personal injuries

In the ordinary course of the Group's construction business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the Group's sub-contractors in accidents arising out of and in the course of their employment. The directors are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.

37. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2024 **HK$'000**	2023 HK$'000
Contracted, but not provided for:		
Tools and equipment	**1,129**	–

38. RELATED PARTY TRANSACTIONS

(a) Outstanding balances with related parties

	Maximum outstanding Balance HK$'000	**2024** **HK$'000**	2023 HK$'000
Ultimate Holding Company			
Regal Loyalty Limited	390	**390**	–
Immediate Holding Company			
Central Force Premium Group Limited	(18,468)	**(18,468)**	(5,328)

The amounts due were non-trade, unsecured, interest-free and repayable on demand.

38. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel of the Group

	2024 HK$'000	2023 HK$'000
Salaries, allowances and benefits in kind	**1,501**	4,128
Pension scheme contributions	**–**	88
	1,501	4,216

The above compensation of key management personnel includes the directors' and chief executive's remuneration, details of which are set out in note 12 to the financial statements.

The above compensation of key management personnel also includes salaries and allowances of HK$876,000 was paid to Ms. Wong Fong Choi, the spouse of a director, during the year ended 31 March 2023.

39. FINANCIAL INSTRUMENTS BY CATEGORY

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

Financial assets:

	2024 HK$'000	2023 HK$'000
Financial assets measured at fair value		
Financial assets at FVTPL	**–**	22,393
Financial assets measured at amortised cost		
Statutory deposits	**205**	205
Trade receivables	**26,536**	32,743
Financial assets included in prepayments, other receivables and other assets	**8,800**	7,560
Amount due from the ultimate holding company	**390**	–
Trust bank balances held on behalf of customers	**24,715**	29,387
Cash and cash equivalents	**98,139**	52,219
	158,785	122,114

39. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities:

	2024 HK$'000	2023 HK$'000
Financial liabilities measured at amortised cost		
Trade payables	**44,059**	79,234
Other payables and accruals	**17,811**	4,876
Amount due to the ultimate holding company	**18,468**	5,328
Lease liabilities	**996**	761
	81,334	90,199

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of financial instruments, other than those measured at fair value, which include trust bank balances held on behalf of customers, cash and cash equivalents, trade receivables, amount due from the ultimate holding company, financial assets included in prepayments, other receivables and other assets, trade payables, financial liabilities included in other payables and accruals and amount due to immediate holding company approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount in which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of listed equity investments are based on quoted market prices, of which the fair value hierarchy is classified as Level 1. The fair values of other financial instruments have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, of which the fair value hierarchy is classified as Level 2. During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2023: Nil).

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, price risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

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

The Group's interest rate risk mainly arises from lease liabilities as disclosed in note 21. Lease liabilities were issued at fixed rates which expose the Group to fair value interest risk. The Group has no cash flow interest rate risk as there are no borrowings which bear floating interest rates. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

Price risk

The Group is exposed to price risk through its investments in equity securities as held for trading investments (note 25). The Group's equity securities are listed on the Hong Kong Stock Exchange. Decisions to buy and sell are based on daily monitoring of the performance of individual equity and as well as the liquidity needs.

At 31 March 2023, if relevant prices had increased by 10% while all other variables were held constant, the profit for the year would increase by approximately HK$2,239,000 and there would be a corresponding change in retained profits. If relevant prices had decreased by 10% while all other variables were held constant, the profit for the year would decrease by approximately HK$2,239,000 and there would be a corresponding change in retained profits. Other components of the consolidated equity would remain unchanged.

The sensitivity analysis has been determined by assuming that the changes in price had occurred at the end of the reporting period and has been applied to those instruments which expose the Group to price risk at that date. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent price risk.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group's credit risk is primarily attributable to statutory deposits, contract assets, trade receivables, financial assets included in prepayments, other receivables and other assets, amount due from the ultimate holding company, trust bank balances held on behalf of customers and cash and cash equivalents. The Group's maximum credit risk exposure at the end of the reporting period in the event of other parties failing to perform their obligations is represented by the carrying amount of each financial asset as stated in the consolidated statement of financial position.

Management monitors the creditworthiness and payment patterns of each debtor closely and on an ongoing basis. The Group's trade receivables and contract assets from contract works represent interim billings or retentions certified by the customers under terms as stipulated in the contracts and the Group does not hold any collateral over these trade receivables and contract assets. As the Group's customers in respect of contract works primarily consist of main contractors in the construction industry, property developers or owners with strong financial backgrounds, management considers that the risk of irrecoverable receivables from contract works is not significant. For the trade receivables due to the securities broking business, the Group has monitoring procedures to ensure the follow-up action is taken to recover overdue debts. The Group review the recoverable amount of each individual trade receivables at the end of the reporting period to ensure the adequate impairment losses are made for irrecoverable amounts.

The following table demonstrates the concentrations of credit risk of the total trade receivables and contract assets which were due from the Group's largest external debtor and the Group's five largest external debtors, respectively.

	2024 %	2023 %
Percentage of total trade receivables and contract assets due from:		
Group's largest external debtor	39.9	42.8
Group's five largest external debtors	83.8	85.2

Further quantitative data in respect of the Group's exposure to credit risk arising from contract assets and trade receivables are disclosed in notes 22 and 23 to the consolidated financial statements, respectively.

The Group has applied the simplified approach to provide for impairment for ECLs prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for impairment of all trade receivables and contract assets that result from transactions that are within the scope of HKFRS 15. To measure the ECLs, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forward-looking information.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

For financial assets included in prepayments, other receivables and other assets and balance due from the ultimate holding company and a related party, trust bank balances held on behalf of customers and cash and cash equivalents (the "Other Financial Assets"), the Group applied the general approach to provide for impairment for ECLs prescribed by HKFRS 9. None of the Other Financial Assets as at 31 March 2024 and 2023 were overdue, and all balances were categorised within Stage 1 for the measurement of expected credit losses. Management considered that the expected credit loss rate for the Group's Other Financial Assets is minimal and therefore no provision for impairment of Other Financial Assets was made as at 31 March 2024 and 2023.

On that basis, the loss allowance as at 31 March 2024 ad 2023 was determined as follows for trade receivables and contract assets:

During the year ended 31 March 2024, the expected credit loss rates for credit-impaired trade receivables are assessed to be 100% (2023: 13%) due to the increase in balance that have been past due for more than 90 days. Management considered that the expected credit loss rate for not credit-impaired trade receivables is minimal.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

At 31 March 2024

	Total
Contract assets	
Lifetime expected loss rate	**0.2%**
Gross carrying amount (HK$'000)	**94,648**
Loss allowance provision (HK$'000)	**208**

At 31 March 2023

	Total
Contract assets	
Lifetime expected loss rate	0.1%
Gross carrying amount (HK$'000)	149,265
Loss allowance provision (HK$'000)	208

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engages in a repayment plan with the Group, and a failure to make contractual payments.

The movement in the loss allowances for trade receivables and contract assets during the years ended 31 March 2024 and 2023 are as follows:

	Trade receivables Life-time ECL (not credit -impaired) HK$'000	Trade receivables Life-time ECL (credit -impaired) HK$'000	Contract assets Life-time ECL (not credit -impaired) HK$'000
At 1 April 2022	–	–	–
Provision for loss allowance	–	687	208
At 31 March 2023 and 1 April 2023	–	687	208
Provision for loss allowance	–	13,247	–
At 31 March 2024	–	13,934	208

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have 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 table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from applicable interest rate at the end of each of the reporting period.

As at 31 March 2024

	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 3 months or on demand HK$'000	3 to less than 12 months HK$'000	1 to 2 years HK$'000
Trade payables	44,059	44,059	44,059	–	–
Financial instruments included in other payables and accruals	17,811	17,811	17,811	–	–
Amount due to the immediate holding company	18,468	18,468	18,468	–	–
Lease liabilities	996	1,084	288	695	101
	81,334	81,422	80,626	695	101

As at 31 March 2023

	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 3 months or on demand HK$'000	3 to less than 12 months HK$'000	1 to 2 years HK$'000
Trade payables	79,234	79,234	79,234	–	–
Financial instruments included in other payables and accruals	4,874	4,874	4,874	–	–
Amount due to the immediate holding company	5,328	5,328	5,328	–	–
Lease liabilities	761	878	135	392	351
	90,197	90,314	89,571	392	351

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new share issues as well as raising new debts. The Group's overall strategy remained unchanged during the years ended 31 March 2024 and 2023.

The Group monitors capital using a net debt to equity ratio, which is net debt divided by the equity attributable to owners of the parent. Net debt includes total interest-bearing bank loans, net of cash and cash equivalents. The net debt to equity ratios as at the end of the reporting periods were as follows:

	2024 **HK$'000**	2023 HK$'000
Net cash and bank balances	**98,139**	52,219
Equity attributable to owners of the parent	**183,843**	216,109
Net debt to equity ratio	**N/A**	N/A

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS		
Investment in subsidiaries	**790**	–*
Amount due from subsidiaries	**110,251**	102,475
Right-of-use asset	**323**	754
Total non-current assets	**111,364**	103,229
CURRENT ASSETS		
Prepayment and other receivables	**409**	405
Cash and cash equivalents	**825**	3,549
Total current assets	**1,234**	3,954
CURRENT LIABILITIES		
Other payables and accruals	**1,060**	1,296
Amount due to the ultimate holding company	**18,468**	5,328
Amount due to subsidiaries	**525**	–
Lease liabilities	**329**	432
Total current liabilities	**20,382**	7,056
NET CURRENT LIABILITIES	**(19,148)**	(3,102)
TOTAL ASSETS LESS CURRENT LIABILITIES	**92,216**	100,127
NON-CURRENT LIABILITY		
Lease liabilities	**–**	329
Total non-current liability	**–**	329
NET ASSETS	**92,216**	99,798
EQUITY		
Share capital	**10,000**	10,000
Reserves (note)	**82,216**	89,798
TOTAL EQUITY	**92,216**	99,798

* Represented amount less than HK$1,000.

Wang Jianfeng
Director

Cai Huihui
Director

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2022	99,157	(3,569)	95,588
Loss and total comprehensive loss for the year	–	(5,790)	(5,790)
At 31 March 2023 and 1 April 2023	99,157	(9,359)	89,798
Loss and total comprehensive loss for the year	–	(7,582)	(7,582)
At 31 March 2024	99,157	(16,941)	82,216

43. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The disclosures set out in the tables below include financial assets and financial liabilities that are offset in the statement of financial position; or are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

Under the agreement of continuous net settlement made between the Group and HKSCC, the Group has a legally enforceable right to set off the money obligation receivables and payable with HKSCC on the same settlement date and the Group intends to set off on a net basis.

43. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(a) Financial assets subject to offsetting, enforceable master netting arrangement or similar arrangements

	Accounts receivable from HKSCC HK$'000
At 31 March 2024	
Gross amount of recognised financial assets	667
Gross amount of recognised financial liabilities offset in the consolidated statement of financial position	(667)
Net amounts of financial assets included in the consolidated statement of financial position	–
At 31 March 2023	
Gross amount of recognised financial assets	290
Gross amount of recognised financial liabilities offset in the consolidated statement of financial position	(290)
Net amounts of financial assets included in the consolidated statement of financial position	–

(b) Financial liabilities subject to offsetting, enforceable master netting arrangement or similar arrangements

	Accounts payable to HKSCC HK$'000
At 31 March 2024	
Gross amount of recognised financial liabilities	728
Gross amount of recognised financial assets offset in the consolidated statement of financial position	(667)
Net amounts of financial liabilities included in the consolidated statement of financial position	61
At 31 March 2023	
Gross amount of recognised financial liabilities	825
Gross amount of recognised financial assets offset in the consolidated statement of financial position	(290)
Net amounts of financial liabilities included in the consolidated statement of financial position	535

43. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(c) Reconciliation to "Trade receivables" and "Trade payables" as presented in the consolidated statement of financial position

	2024 HK$'000	2023 HK$'000
Trade receivables		
Net amount of financial assets after offsetting as stated above	–	–
Financial assets not in scope of offsetting disclosure	26,536	32,743
	26,536	32,743
Trade payables		
Net amount of financial liabilities after offsetting as stated above	61	535
Financial liabilities not in scope of offsetting disclosure	43,998	78,699
	44,059	79,234

44. COMPARATIVE FIGURES

Certain comparative figures are reclassified to conform with the current year's presentation.

45. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 28 June 2024.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and assets, liabilities and equity of the Group for the last five financial years, as extracted from the Prospectus and the published audited financial statements is set out below. This summary does not form part of the audited financial statements.

RESULTS	**2024**	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**452,666**	372,086	340,084	437,177	437,778
(Loss)/profit before tax	**(33,459)**	11,576	(39,219)	14,913	(14,642)
Income tax credit/(expense)	**1,367**	(6,609)	5,375	(786)	986
(Loss)/profit for the year	**(32,092)**	4,967	(33,844)	14,127	(13,656)

ASSETS, EQUITY AND LIABILITIES	**2024**	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS					
Non-current assets	**10,353**	13,894	25,965	30,960	22,322
Current assets	**255,012**	293,969	256,759	265,959	255,075
Total assets	**265,365**	307,863	282,724	296,919	277,397
EQUITY AND LIABILITIES					
Total equity	**183,843**	216,109	211,142	244,986	230,859
Non-current liabilities	**287**	517	3,174	2,597	2,899
Current liabilities	**81,235**	91,237	68,408	49,336	43,639
Total liabilities	**81,522**	91,754	71,582	51,933	46,538
Total equity and liabilities	**265,365**	307,863	282,724	296,919	277,397