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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Lo Yuen Cheong *(Chairman)*
Lo Yick Cheong

Non-executive Director

Chan Wai Ying

Independent non-executive Directors

Leung Wai Tat Henry
Lo Man Chi
Chau Wai Yung

AUDIT COMMITTEE

Leung Wai Tat Henry *(Chairman)*
Chan Wai Ying
Chau Wai Yung
Lo Man Chi

REMUNERATION COMMITTEE

Chau Wai Yung *(Chairman)*
Lo Yuen Cheong
Leung Wai Tat Henry
Lo Man Chi

NOMINATION COMMITTEE

Lo Yuen Cheong *(Chairman)*
Lo Yick Cheong
Chau Wai Yung
Leung Wai Tat Henry
Lo Man Chi

AUTHORISED REPRESENTATIVES

Lo Yuen Cheong
Wan Ho Yin

COMPANY SECRETARY

Wan Ho Yin

SOLICITORS

CFN Lawyers in association
with Broad & Bright
Maples and Calder

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited

REGISTERED OFFICE

PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

PRINCIPAL OFFICE

Unit D, 10/F
Skyline Tower
18 Tong Mi Road
Mongkok, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall, Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

2193

WEBSITE

http://www.manking.com.hk

CHAIRMAN'S STATEMENT

It gives me great pleasure to present the Annual Report for the year ended 31 March 2022 from Man King Holdings Limited (the "Company") and its subsidiaries (collectively the "Group" or "we"), which describes another challenging year for the Company.

PERFORMANCE AND STRATEGY

During the financial year ended 31 March 2022, the emergence of new variants brought more uncertainties to the duration of the Covid-19 amid the gradual recovery of Hong Kong economy. In the face of the intricate and complicated external environment, the Group surmounted the challenges and responded positively and achieved solid development in our businesses. In particular, one of the typical anti-pandemic measurements for our staff as well as the subcontractors is to take a daily Rapid Antigen Test, which helped to maintain safe working environments for all people working at our construction sites and offices. Our stringent reporting and quarantine measurements helped to facilitate the continuation of projects without severely delay.

The Group has secured two new public work contracts in June and August 2021 with contract sums of approximately HK$306.6 million and HK$467.7 million respectively. In addition to the other three public contracts awarded in the prior years, the Group is running at full capacity and the revenue has hit a record high of HK$408.2 million for the year ended 31 March 2022. We are optimistic about the construction industry in Hong Kong and we expect the Hong Kong Government will continue to increase budgets on public infrastructures for the purpose of the stimulation of the local economy and also cope with the several future mega development plans such as the associated Northern Link development and the Lantau development.

The 20.3% owned One Belt One Road project in Pakistan in coal transshipment operation continued to contribute positively to our financial results and free cash flow for the Group. Although the number of transshipped coal dropped this year, the effect was compensated by the increased unit price of each ton of coal transshipped and the increased charter hire income.

Another highlight of this project is the recent depreciation of local currency (Pakistani Rupees). As the project mainly received income in the United States dollars, the depreciation of Pakistani Rupees indeed would not bring the material adverse financial impact to the project income. In contrast, the major project costs are local spendings in Pakistani Rupees, and thus the depreciation of Pakistani Rupees would favorable to the Group when exchanging the money to Pakistani Rupees for this purpose.

We believe that both challenges and opportunities coexist in the current business environment. The Group will firmly grasp the favorable opportunities to strengthen our unique advantages and better utilize our strong capital structure.

DIVIDEND

The Board is recommending a final dividend for the year ended 31 March 2022 of HK3.5 cents per share, reflecting the Board's confidence in the Group's prospect as well as its stable and reliable financial capability.

OUR PEOPLE

During challenging times like what we are facing today, we continue to emphasize on building a long-term sustainable business and quality control. The Group paid high attention to pandemic prevention and control, strictly followed and implemented pandemic prevention and control measures to effectively protect the health of staff and ensure the orderly site construction.

The Group would like to express its appreciation to all of our staffs for their long-term efforts and to the management for their outstanding contributions. It is the unremitting efforts of each member that enable the Group to achieve solid performance in the challenging market environment.

Safety and career development to our people remain as our highlighted focus. We have continuously attained zero fatality and accident comparing with unusual statistic figures of the industry. Our Group's strategy remains the same with people as our core assets and we will continue to value and invest in our specialties to achieve the extraordinary.

OUTLOOK

Looking ahead to the new financial year, the Group endeavours to further enhance its market share, strengthen and expand its existing advantageous business; enhance its refined management and continue to improve the quality of operation; enhance investment in new businesses and take over strategic control points in the industry and strengthen the construction of corporate culture and talent team.

We are actively participating in various contract biddings. Together with the committed work contracts on hand, the Group is cautiously optimistic about the future market conditions. The Group will firmly grasp the favorable opportunities to strengthen our unique advantages and better utilise our strong capital structure. Building on our core competitiveness, the Group will proactively explore further merger and acquisition opportunities and/or business collaboration with the best endeavours to improve our operation efficiency and profitability of the businesses.

Lo Yuen Cheong
Chairman
28 June 2022

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Group is principally engaged in providing civil engineering services in Hong Kong as main contractor.

The engineering works undertaken by the Group are mainly related to (i) roads and drainage (including associated building works and electrical and mechanical works); (ii) site formation (including associated infrastructure works); and (iii) port works (including barging facilities for marine logistics of construction materials). The Group undertakes civil engineering projects in both public and private sectors and, being a main contractor, participates in the procurement of materials, machineries and equipment, selection of subcontractors, carrying out on-site supervision, monitoring work progress and overall co-ordination of day-to-day work of the projects.

As at 31 March 2022, the Group had ten projects in progress, and several completed projects yet to receive the final contract sum, with a total estimated outstanding contract sum and work order value of approximately HK$1,306.8 million.

The diversified coal transshipment business of the Group through its 20.3% owned One Belt One Road project in Pakistan continued to bring positive return to the Group. During the year ended 31 March 2022, the Company received cash dividend from this One Belt One Road project totaling US$1.9 million (equivalent to approximately HK$15.0 million).

Principal risks and uncertainties

The management considers that the followings are the principal risks and uncertainties to the Group:

(i) the business of the Group relies on successful tenders and any failure of the Group to secure tender contracts would affect the operations and financial results of the Group;

(ii) erroneous or inaccurate estimation of project duration and the costs involved when determining the tender price may adversely affect the profitability and financial performance of the Group;

(iii) the historical revenue and profit margin may not be indicative of the future revenue and profit margin of the Group; and

(iv) any delay or defects of the suppliers' and subcontractors' works of the Group would adversely affect its operations and financial results.

Customers and suppliers

The major customers of the Group are the HKSAR Government and certain reputable organisations. The public sector customers are normally required to make payments to the Group within 21 days after the issue of the progress certificate by the authorised person, while the private sector customers are normally required to make payments to the Group within 60 days after the issue of the invoice. The management of the Group considers that the credit risk is limited in this regard.

On the other hand, the Group maintains a good relationship with its key subcontractors and suppliers, and no warnings relating to the supply or quality of materials has been received. We have performed subcontractor and supplier annual performance evaluations and the results are satisfactory.

Environmental policies

The Group has also observed the laws and regulations in relation to environmental protection in Hong Kong, such as Air Pollution Control Ordinance, Noise Control Ordinance, Water Pollution Control Ordinance, Waste Disposal Ordinance, Dumping at Sea Ordinance, Environmental Impact Assessment Ordinance and Public Health and Municipal Services Ordinance. Prior to the commencement of work, the Group will assess the implications and requirements of the aforesaid laws and regulations and apply for necessary permits (if applicable) to conduct its work. The Group also ensures that the subcontractors and their workers comply with the Group's environmental management policy on the basis of appropriate education, training and/or expertise. In particular, the Group holds regular meetings with them to discuss environmental related issues during the course of a project. The breach of the aforesaid laws and regulations may lead to penalty or fine by the relevant government authorities or even suspension of works. During the year ended 31 March 2022, the Group was in compliance with applicable environmental laws and regulations in all material aspects.

For further details of the environmental, social and governance initiatives, practices and performance of the Group, please refer to the section headed "Environmental, Social and Governance Report" on pages 26 to 38 of this annual report.

Compliance with laws and regulations

Saved as disclosed in the compliance with environmental laws and regulations mentioned above, the Group has been in compliance in all material respects with all the other relevant laws, rules and regulations. The Group will continue to deploy adequate resources and make an effort to maintain and enhance internal control in order to mitigate any non-compliance issues.

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 March 2022 was approximately HK$408.2 million, representing an increase of approximately 47.6% from approximately HK$276.6 million in the same period of the last financial year. This increase was mainly due to the combined effect of:

(i) higher revenue of approximately HK$64.2 million for two new public sector projects commenced during the year ended 31 March 2022;

(ii) higher revenue of approximately HK$142.6 million for five projects in progress during the year ended 31 March 2022;

(iii) lower revenue of approximately HK$58.1 million for projects for the year ended 31 March 2022 as compared to the revenue of approximately HK$114.3 million recognised for the same projects during the prior year; and

(iv) lower revenue of approximately HK$17.1 million for projects substantially completed during the year ended 31 March 2022.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 March 2022 was approximately HK$51.4 million, representing an increase of approximately 74.8% from approximately HK$29.4 million in the same period of the last financial year.

The gross profit margin increased from approximately 10.6% for the year ended 31 March 2021 to approximately 12.6% for the year ended 31 March 2022.

The increase in gross profit and gross profit margin were primarily due to a few projects on hand were in several main work phases during the year earning higher profit as expected.

Other income

Other income was approximately HK$2,206,000 and HK$1,946,000 for the years ended 31 March 2022 and 2021, respectively. The increase was mainly due to the receipt of government subsidy granted from the Construction Innovation and Technology Fund and settlement for the legal cost incurred for the legal case concluded during the year, which was partially offset by the decrease in management fee income and bank interest income.

Other (losses)/gains, net

Other (losses)/gains, net switched from a gain of approximately HK$176,000 for the year ended 31 March 2021 to a loss of approximately HK$302,000 for the year ended 31 March 2022, primarily due to loss in fair value of financial assets at fair value through profit or loss of approximately HK$488,000 was recognised during the year ended 31 March 2022 while it was a gain of approximately HK$74,000 for the prior year.

Administrative expenses

Administrative expense remained stable for the years ended 31 March 2022 and 2021, which amounted to approximately HK$26.8 million and HK$27.1 million, respectively.

Finance costs

During the year ended 31 March 2022, bank loan interest expenses were approximately HK$75,000 (2021: HK$62,000) and interest expenses on the lease liabilities were approximately HK$146,000 (2021: HK$35,000). Therefore, total finance costs were approximately HK$221,000 (2021: HK$97,000).

Share of profit of an associate

Share of profit of an associate relates to the Group's 20.3% interest in an associate for the provision of bareboat charter and coal transshipment services in Pakistan. The Group's share of profit of an associate for the year ended 31 March 2022 was approximately HK$14.8 million (2021: HK$13.2 million).

Income tax expense

The Group recorded income tax expense of approximately HK$4,123,000 for the year ended 31 March 2022 (2021: HK$1,722,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Profit for the year

For the year ended 31 March 2022, the Group recorded a net profit of approximately HK$36.9 million, as compared to a net profit of approximately HK$15.7 million for the corresponding period in the last financial year. The increase was mainly due to the improvement of gross profit margins of construction projects and the increase in other income and share of profit of an associate.

Consolidated Statement of Financial Position

Net assets of the Group increased by approximately 10.1% from approximately HK$253.6 million as at 31 March 2021 to approximately HK$279.1 million as at 31 March 2022.

Non-current assets increased drastically from approximately HK$111.7 million as at 31 March 2021 to approximately HK$134.7 million as at 31 March 2022, primarily due to the purchase of construction equipment and motor vehicles together with the addition of rights-of-use assets recognised for several projects during the year.

Current assets increased by approximately 37.8% from approximately HK$204.1 million as at 31 March 2021 to approximately HK$281.2 million as at 31 March 2022, primarily due to increase in net cash generated from operating activities.

Liquidity and Financial Resources

As at 31 March 2022, the Group had cash and cash equivalents of approximately HK$153.3 million (2021: HK$107.1 million), which were mainly denominated in Hong Kong dollars. There is no major exposure to foreign exchange rate fluctuations. The Group has not adopted any currency hedging policy or other hedging instruments. The Group will continue to monitor its exposure to currency risks closely.

As at 31 March 2022, the Group had a total of interest bearing bank borrowing of approximately HK$4.1 million (2021: HK$1.6 million), with a repayable on demand clause, such borrowing were denominated in Hong Kong dollars, carried at variable interest rate and had no financial instrument for hedging purpose.

The Group had available unutilised bank borrowing facilities of approximately HK$20.7 million as at 31 March 2022 (2021: HK$20.7 million).

Capital Structure and Gearing Ratio

As at 31 March 2022, total equity was approximately HK$279.1 million (2021: HK$253.6 million) comprising ordinary share capital, share premium and reserves.

The gearing ratio of the Group, defined as a percentage of interest bearing liabilities divided by the total equity, was approximately 1.5% as at 31 March 2022 (2021: 0.6%).

Pledge of Assets

As at 31 March 2021, bank deposits of the Group of approximately HK$5.2 million were pledged to a bank for securing the performance bonds issued by a bank to the Group's customers on behalf of the Group as guarantee. The bank deposits had been released during the year and the Group had no pledged bank deposits as at 31 March 2022. Deposits of approximately HK$3,323,000 (2021: HK$3,348,000) has been placed and pledged to an insurance institution to secure obligations under the performance bonds issued by an institution to a customer of the Group.

For details of pledged assets and performance bonds and contingent liability of the Group, please refer to notes 24 and 34 to the consolidated financial statements accordingly.

New business

During the year ended 31 March 2022, the Company did not commence any new type of business.

Capital Commitments

The Group had capital commitments on capital expenditure of property, plant and equipment contracted for but not recognised as liabilities of approximately HK$948,000 as at 31 March 2022 (2021: Nil).

Performance Bonds and Contingent Liabilities

Certain customers of construction contracts undertaken by the Group require the group entities to issue guarantees for the performance of contract works in the form of performance bonds and secured either by other deposits or pledged bank deposits. The performance bonds are released when the construction contracts are completed or substantially completed.

As at 31 March 2022, the Group had no outstanding performance bonds issued by banks (2021: HK$5.2 million) and the outstanding performance bonds issued by insurance institutions were approximately HK$3,323,000 (2021: HK$3,348,000).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2022, the Group had an aggregate of 171 full-time employees (2021: 123 full-time employees). Employee costs excluding directors' emoluments totalled approximately HK$64.7 million for the year ended 31 March 2022 (2021: HK$49.1 million). For the year ended 31 March 2021, government grants of approximately HK$6.2 million from the employment support scheme have been offset with the employee costs. The Group was in compliance with Employment Ordinance, Employees' Compensation Ordinance and other applicable regulations, and salary payment was made on time without any dispute. The Group recruited and promoted the employees according to their strength and development potential. The Group determined the remuneration packages of all employees including the directors with reference to individual performance and current market salary scale.

FUTURE OUTLOOK

The Group has secured two new public work contracts in June and August 2021 with contract sums of HK$306.6 million and HK$467.7 million respectively. Including the other three public contracts awarded at the end of 2020, the Group's capacity is now temporarily full. The Group is committed to boosting the local growth and competitiveness to bolster its expanding operation scale in the next few years.

The 20.3% owned One Belt One Road project in Pakistan completed its third coal transshipment operation season in early May 2022. The coal transshipment operation slowed down in the second half of financial year, mainly due to the soaring price of the imported coal as a result of big drop in global mining during the pandemic, coupled with high sea freight in the post-pandemic economic revival. As a result, approximately 1.7 million tons of coal were transshipped in the third coal transshipment operation season, representing a decrease of approximately 35% as compared to the last season of approximately 2.6 million tons.

Such decrease in the volume of coal transshipped was offset by an increase in charter hire income. Overall, the Group's share of profit of an associate amounted to approximately HK$14.8 million this year, representing an increase of approximately 12.1% as compared to approximately HK$13.2 million in the prior year.

During the year ended 31 March 2022, the Group received dividends from River King Management Holdings Limited ("River King" and together with its subsidiaries, the "River King Group") totaling US$1.9 million (equivalent to approximately HK$15.0 million). The accumulated dividends in the past three years reach approximately HK$33.9 million, representing approximately 35% of total investment costs of this project. The Company will continuously monitor the operation of River King Group and recommend cash distribution as appropriate when profit earning is in line with our expectation.

The global pandemic environment brings us challenge, but also opportunity. Apart from the Belt & Road project, the Group continues to seek other investment opportunity aiming to earn reasonable constant return as well as the diversification. The Group's gearing ratio remains low with healthy liquidity. Together with strong working capital management, the Group is ready for any new investment in the future. The Group will continue to assess new investment opportunities in a prudent manner in order to maximize returns for shareholders and promote the Group's long-term business growth.

SIGNIFICANT INVESTMENT

The Group holds a 20.3% equity interest (comprising 2,030 ordinary shares) in River King through Rich Partner Global Limited, a direct wholly-owned subsidiary of the Company. The River King Group is principally engaged in a One Belt One Road project involving the bareboat charter hiring and transshipment of coal by vessels owned or built by the River King Group to a coal fired power station located in Pakistan. The Group's total investment in River King up to 31 March 2022 was approximately HK$96.7 million. No market fair value was available for this private investment as at 31 March 2022. The Group invested in River King with a view to maintaining a sustainable growth and maximizing shareholder return through business diversification. To that end, the Group has been actively involved in the development and operation of the coal transshipment project since its participation. In particular, executive Directors Mr. Lo Yick Cheong and Mr. Lo Yuen Cheong were integral to the successful implementation of the coal transshipment project in early October 2019, following which the financial performance of River King has improved substantially. During the year ended 31 March 2022, the Group's share of results of River King was approximately HK$14.8 million. Considering the accumulated distributable reserve available of River King, the Group received cash dividends from the project totaling approximately US$1.9 million (equivalent to approximately HK$15.0 million) for the year.

Save as aforesaid, the Company did not hold any other significant investment during the year ended 31 March 2022.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 31 March 2022, there was no material acquisition or disposal of subsidiaries and associated companies by the Company.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Directors currently do not have any future plans for material investments or capital assets. The Directors will continue to monitor the industry and review its business expansion plans regularly, so as to take necessary measures in the Group's best interests.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Lo Yuen Cheong, 69, is the Chairman and executive Director of the Company and also the chairman of Nomination Committee and member of Remuneration Committee. He is responsible for the financial and operational aspects of the Group, and is jointly responsible for the formulation of business development strategies of the Group.

Mr. Lo Yuen Cheong has over 41 years of experience in working in the civil engineering industry. He is qualified as a Chartered Engineer registered with The Engineering Council of the United Kingdom and a Registered Professional Engineer with Engineers Registration Board of Hong Kong. He is also a member of The Institution of Civil Engineers of the United Kingdom and a member of The Hong Kong Institution of Engineers.

Mr. Lo Yuen Cheong obtained a Master degree of Engineering (MEng) from The University of Sheffield in 1979, and a Master degree of Arts (MA) from The University of Oklahoma in 1998.

He is the brother of Mr. Lo Yick Cheong and the brother-in-law of Ms. Chan Wai Ying.

Mr. Lo Yick Cheong, 66, is the executive Director of the Company and also the member of Nomination Committee. He is responsible for the operations and business development and is jointly responsible for the formulation of business development strategies of our Group.

Mr. Lo Yick Cheong has over 40 years of experience in working in the engineering industry. He is qualified as a Chartered Engineer of The Engineering Council of the United Kingdom, and a Registered Professional Engineer with Engineers Registration Board of Hong Kong. He is also a member of The Institute of Marine Engineers of the United Kingdom, and a member of The Hong Kong Institution of Engineers.

Mr. Lo Yick Cheong obtained a diploma in Marine Engineering from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in 1976, a degree of Bachelor of Engineering with First Class Honours in Mechanical Engineering from University of Newcastle Upon Tyne in the United Kingdom in 1986, and a Master degree of Business Administration from University of Leicester in the United Kingdom in 1995. He attained a certificate of competency (Marine Engineer Officer), class 1 (Steamship and Motorship) at the Department of Transport in the United Kingdom in 1985.

He is the brother of Mr. Lo Yuen Cheong and the brother-in-law of Ms. Chan Wai Ying.

NON-EXECUTIVE DIRECTOR

Ms. Chan Wai Ying, 57, is the non-executive Director of the Company and also the member of Audit Committee. She has over 27 years of experience in accounting profession and she advises the board on internal control and financial management.

Ms. Chan Wai Ying is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

She is the sister-in-law of Mr. Lo Yuen Cheong and Mr. Lo Yick Cheong.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Wai Tat Henry, 73, is the independent non-executive Director of the Company. He has over 47 years of experience working in the engineering industry. He had worked with the Hong Kong Government as structural engineer from May 1980 to December 1982. He also had six years of experience working in Australia. From March 1984 to June 1986, he worked with Macdonald Wagner Pty Limited and was promoted to the position of senior engineer. From June 1986 to May 1989, he worked with Transfield Construction Pty Limited as a structured engineer. He was employed by Jacobs China Limited for the period from September 1990 to March 2005. His last position was managing director.

Mr. Leung graduated with a Bachelor degree of Science in Engineering from The University of Hong Kong in November 1973 and a Master degree of Engineering Science from The University of Sydney, Australia in May 1984. He is a member of The Institution of Civil Engineers of the United Kingdom, a fellow of The Hong Kong Institution of Engineers, and a fellow of The Institution of Structural Engineers of the United Kingdom. He is also a Registered Professional Engineer with Engineers Registration Board of Hong Kong.

Professor Lo Man Chi, *JP*, 56, is the independent non-executive Director of the Company. She has joined The Hong Kong University of Science and Technology since 1992, and is currently a full professor in the Department of Civil and Environmental Engineering. She has extensive research and practical experience in the field of civil and environmental engineering, and produced various academic publications.

Professor Lo is an elected Academician of class VI — Technical and Environmental Sciences of the European Academy of Sciences and Arts in July 2014. She is a fellow of The Hong Kong Institution of Engineers and a fellow of American Society of Civil Engineers. She was the chairperson of the Environmental Division of The Hong Kong Institution of Engineers. She obtained a Bachelor of Science degree in Engineering from National Taiwan University in 1988, as well as a Master of Science degree in Engineering, and a Doctor of Philosophy degree from The University of Texas at Austin in 1990 and 1992, respectively.

Ms. Chau Wai Yung, 37, is the independent non-executive Director of the Company. She is an associate member of Hong Kong Institute of Certified Public Accountants, and has worked as an accountant with Deloitte Touche Tohmatsu for more than 4 years. Thereafter, she joined the corporate recovery & forensic services department of Mazars CPA Limited from March 2011 to September 2012. From 2014 to 2016, she worked as a project manager consultant with Vieste Investments Limited. She currently works in Corporate Strategy and Development Department with Li Tong Group.

Ms. Chau graduated with a Bachelor degree of Social Sciences with first class honours from The Chinese University of Hong Kong in May 2006. She also obtained a postgraduate certificate in professional accounting from City University of Hong Kong in summer 2006.

SENIOR MANAGEMENT

Mr. Chiu Kwok Ming, 58, is the general manager (estimating, procurement, health & safety, and quality assurance) of the Group. He leads the Group's tendering department, and assumes the responsibility for our Group's quality assurance affairs, together with our Group's health and safety, and environmental management.

Mr. Chiu has over 36 years of experience working in the civil engineering industry and he was trained as a lead auditor for implementing and monitoring quality assurance of the Group.

Mr. Wan Ho Yin, 44, is the financial director and company secretary of the Group. He is responsible for the Group's financial affairs, engaging and overseeing all aspects of the corporate financial activities, internal control, treasury, and investors' relation of our Group.

Mr. Wan is a fellow member of the Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants, and has over 21 years of experience in accounting profession.

Mr. Lam Tat Shing, 44, is the general manager (contracts and operation) of the Group. He is responsible for site operation and management of civil and marine projects.

Mr. Lam is a member of The Hong Kong Institution of Engineers, and has over 22 years of experience working in the civil engineering industry. He also has experience of port works and fill management.

DIRECTORS' REPORT

The directors of the Company (the "Directors") present their annual report together with the audited consolidated financial statements for the year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and provision of corporate management services.

The activities of its principal subsidiaries and joint operations (set out in notes 13 and 14 to the consolidated financial statements) are engaged in construction and civil engineering works.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2022 are set out in the consolidated statement of profit or loss and other comprehensive income on page 43 of the annual report and in accompanying notes to the consolidated financial statements.

The Board recommends the payment of a final dividend of HK3.5 cents (2021: HK3 cents) per ordinary share to be payable to shareholders whose names appear in the register of members of the Company on 9 September 2022.

Subject to the approval of the Company's shareholders at the forthcoming annual general meeting to be held on Tuesday, 23 August 2022, it is expected that the payment of final dividend will be made on or around 23 September 2022.

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.

DISTRIBUTABLE RESERVES

Movements in the reserves of the Group and of the Company are set out in the consolidated statement of changes in equity on page 45 and note 36 to the consolidated financial statements respectively.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 92 of this annual report.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming annual general meeting to be held on Tuesday, 23 August 2022 (the "2022 Annual General Meeting"), the register of members of the Company will be closed from Thursday, 18 August 2022 to Tuesday, 23 August 2022, both dates inclusive, during which period no transfer of shares of the Company (the "Shares") will be registered. In order to be eligible to attend and vote at the 2022 Annual General Meeting, the unregistered holders of shares of the Company are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (if it is lodged before 15 August 2022) or 17/F., Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong (if it is lodged on or after 15 August 2022) not later than 4:30 p.m. on Wednesday, 17 August 2022.

The proposed final dividend is subject to the approval of the shareholders at the 2022 Annual General Meeting. The record date for the proposed final dividend is on Friday, 9 September 2022. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on Friday, 9 September 2022 if and only if the proposed final dividend is approved by the shareholders at the 2022 Annual General Meeting, during which no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong not later than 4:30 p.m. on Thursday, 8 September 2022.

EQUITY-LINKED AGREEMENTS

Other than the share option scheme of the Company as disclosed in note 30 to the consolidated financial statements, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year ended 31 March 2022 amounted to HK$536,100.

PROPERTY, PLANT AND EQUIPMENT

Details of the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in note 25 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association (the "Articles of Association") or the laws of the Cayman Islands.

DIRECTORS

The Directors of the Company during the year and up to the date of this report are:

Executive Directors:

Lo Yuen Cheong *(Chairman)*
Lo Yick Cheong

Non-executive Director:

Chan Wai Ying

Independent non-executive Directors:

Leung Wai Tat Henry
Lo Man Chi
Chau Wai Yung

In accordance with the provisions of the Company's bye-laws, one-third of the existing Directors shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting. Accordingly, Mr. Lo Yick Cheong and Ms. Chan Wai Ying will retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

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

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

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company. The service contracts are initially for a fixed term of three years and will continue thereafter until terminated by not less than three months' written notice to the other party.

Non-executive Director has been appointed for a fixed term of one year and independent non-executive Directors have been appointed for a fixed term of three years. The appointment is subject to the provisions of the Articles of Association with regard to vacation of office of Directors, removal and retirement by rotation of Directors.

Other than as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

No management contracts concerning the whole or any substantial part of the business of the Company were entered into or existed during the year.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set out by the management on the basis of their merits, qualifications and competence.

The Remuneration Committee considers and makes recommendations to the Board on the remuneration and other benefits paid by the Company to the Directors by reference to the Company's operating results, individual performance and comparable market rates. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

As at 31 March 2022, the Group had an aggregate of 171 (2021: 123) full-time employees. Employee costs excluding directors' emoluments totalled approximately HK$64.7 million for the year ended 31 March 2022 (2021: HK$49.1 million). For the year ended 31 March 2021, government grants of approximately HK$6.2 million from the employment support scheme have been offset with the employee costs. The Group recruited and promoted the employees according to their strengths and development potential. The Group determined the remuneration packages of all employees including the Directors with reference to individual performance and current market salary scale.

Details of Directors', Chief Executive's and employees' emoluments are set out in notes 10 and 37 to the consolidated financial statements.

In addition to the above, a share option scheme is adopted for rewarding and retaining Directors and employees for the continual operation and development of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraph headed "Related Party Transactions and Connected Transactions", no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries or its holding company was a party and in which a Director or a connected entity of a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding 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.

DISCLOSURE INTERESTS IN SECURITIES

A. Directors' and the Chief Executive's interests in the shares of the Company

As at 31 March 2022, the interests and/or short positions of the Directors and Chief Executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) 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 in which they are taken or deemed to have under such provisions of the SFO), which or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director and Group member/associated corporation	Capacity/nature	Number of issued ordinary shares held (long position)	Percentage of the issued share capital of the company
Lo Yuen Cheong of the Company	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse (Note)	300,372,000	71.55%
	Beneficial owner	4,716,000	1.12%
Lo Yick Cheong of the Company	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse (Note)	300,372,000	71.55%
Chan Wai Ying of the Company	Beneficial owner	1,500,000	0.36%
Leung Wai Tat Henry of the Company	Beneficial owner	100,000	0.02%
Lo Yuen Cheong of Jade Vantage Holdings Limited	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse (Note)	50,000 of US$1 each	100%
Lo Yick Cheong of Jade Vantage Holdings Limited	Beneficiary and co-founder of a discretionary trust, interest each in a controlled corporation and interest in spouse (Note)	50,000 of US$1 each	100%

Note: Jade Vantage Holdings Limited, which owns 71.55% of the issued share capital of our Company, is owned as to 100% by LOs Brothers (PTC) Limited, the trustee of the Los Family Trust. Mr. Lo Yuen Cheong, Mr. Lo Yick Cheong and each of their spouses are co-founders of the Los Family Trust, which holds the entire issued share capital of Jade Vantage Holdings Limited, which holds 300,372,000 Shares. By virtue of the SFO, Mr. Lo Yuen Cheong and Mr. Lo Yick Cheong are deemed to be interested in the shares of the Company in which Jade Vantage Holdings Limited is interested.

Save as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange.

None of the Directors nor the Chief Executive (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) during the year.

B. Substantial shareholders and other interests

As at 31 March 2022, so far as the Directors are aware, the following persons (not being a Director or a Chief Executive of the Company) will have an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Nature of interest	Number of issued ordinary shares held (long position)	Percentage of the issued share capital of the Company
LOs Brothers (PTC) Limited	Interest in a controlled corporation	300,372,000	71.55%
Jade Vantage Holdings Limited	Beneficial owner	300,372,000	71.55%
Tam Wai Sze, Vera	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse (Note)	300,372,000	71.55%
	Beneficial owner	3,276,000	0.78%
Cheung Suk Ching, Savonne	Beneficiary and co-founder of a discretionary trust, interest in a controlled corporation and interest in spouse (Note)	300,372,000	71.55%

Note: Jade Vantage Holdings Limited, which owns 71.55% of the issued share capital of our Company, is owned as to 100% by LOs Brothers (PTC) Limited, the trustee of the Los Family Trust. Mr. Lo Yuen Cheong, Mr. Lo Yick Cheong and each of their spouses are co-founders of the Los Family Trust, which holds the entire issued share capital of Jade Vantage Holdings Limited, which holds 300,372,000 Shares. By virtue of the SFO, Mr. Lo Yuen Cheong and Mr. Lo Yick Cheong are deemed to be interested in the shares of the Company in which Jade Vantage Holdings Limited is interested.

Save as disclosed above, no other person (other than Directors or Chief Executive of the Company) has an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company conditionally adopted the share option scheme on 3 June 2015, and such scheme has become effective on the listing of the Company on the Stock Exchange on 3 July 2015 (the "Share Option Scheme"). The purpose of the Share Option Scheme is to recognise and acknowledge the contribution of the eligible participants made to the Group. The Board may, at its discretion, grant options pursuant to the Share Option Scheme to Directors (including the independent non-executive Directors), the Company's subsidiaries, employees of the Group and other persons the Board considers have contributed or will contribute to the Group. The maximum number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company at the grant date, unless otherwise approved by the shareholders of the Company in general meeting and/or other requirements prescribed under the Listing Rules. The subscription price of a share in respect of a particular option shall be not less than the highest of (a) the official closing price of the Shares on the daily quotation sheet of the Stock Exchange; (b) the average official closing price of the shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a share. The Share Option Scheme shall remain effective within a period of 10 years from that date.

No option was outstanding, granted, exercised or lapsed during the year ended 31 March 2022.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2022, the five largest customers of the Group and the single largest customer of the Group accounted for 100% and approximately 41.6% (2021: 93.7% and 52.5%) of the total revenue of the Group, respectively. The five largest suppliers and the single largest supplier of the Group during the year accounted for approximately 86.3% and 28.9% (2021: 48.7% and 16.2%) of the total purchases of the Group, respectively. The five largest subcontractors and the single largest subcontractor of the Group during the year accounted for approximately 44.3% and 10.6% (2021: 65.5% and 28.9%) of the total subcontracting fee of the Group, respectively.

As far as the Directors are aware, none of the Directors, their associates, within the meaning of the Listing Rules, or those shareholders which to the knowledge of the Directors own more than 5% of the Company's share capital have an interest in any of the five largest customers and/or five largest suppliers/subcontractors of the Group for the year ended 31 March 2022.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of the significant related party transactions undertaken in the normal course of business are provided under note 35 to the consolidated financial statements, and none of which constitutes a discloseable connected transaction or continuing connected transaction as defined under the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

RELIEF FROM TAXATION

The Company is not aware of any relief from taxation available to the shareholders by reason of their holding of the Shares.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 March 2022.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Each of the Directors has confirmed that he/she is neither engaged, nor interested, in any business which, directly or indirectly, competes or may compete with the Group's business.

CONTRACT OF SIGNIFICANCE

No contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholders or any of its subsidiaries during the year and there is no contract significance in relation to provision of services by the controlling shareholder or any of its subsidiaries to the Group.

NON-COMPETITION UNDERTAKINGS BY THE CONTROLLING SHAREHOLDERS

Mr. Lo Yuen Cheong, Mr. Lo Yick Cheong, Ms. Tam Wai Sze, Vera, Ms. Cheung Suk Ching, Savonne, Jade Vantage Holdings Limited and LOs Brothers (PTC) Limited entered into a deed of non-competition dated 3 June 2015 (the "Deed of Non-Competition") so as to better safeguard the Group from any potential competition and to formalise the principles for the management of potential conflicts between them and to enhance its corporate governance in connection with the listing of the shares on the Stock Exchange.

The independent non-executive Directors were delegated with the authority to review, on an annual basis, the compliance with the Deed of Non-Competition. The independent non-executive Directors were not aware of any non-compliance of Deed of Non-Competition during the year ended 31 March 2022.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Company's Articles of Association, each Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted.

The Company has arranged appropriate directors' and officers' liability insurance coverage for its Directors and officers.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Board of the Company are committed to maintain high standards of corporate governance with the Corporate Governance Code, as set out in Appendix 14 of the Listing Rules with exception of deviation. Detailed information on the Company's corporate governance practices is set out in the "Corporate Governance Report" contained in pages 17 to 25 of the annual report.

BUSINESS REVIEW

Detailed information on the Group's business review is set out in the "Management Discussion and Analysis" contained in pages 4 to 7 of the annual report.

AUDITOR

Following the resignation of Deloitte Touche Tohmatsu as the auditor of the Company on 4 November 2020, PricewaterhouseCoopers was appointed as the auditor of the Company on the same day to fill in the vacancy. Save as disclosed above, there were no other changes in auditors of the Company during the past three years. A resolution will be proposed at the forthcoming annual general meeting to re-appoint PricewaterhouseCoopers as auditor of the Company.

On behalf of the Board

Lo Yuen Cheong
Chairman and Executive Director
28 June 2022

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standard of corporate governance as it believes that good corporate governance practices are fundamental to the effective operation of a company and can enhance shareholders' value as well as safeguard shareholders' interests. The Company places strong emphasis on a quality Board, accountability, sound internal control, appropriate risk management, monitoring procedures and transparency to all shareholders and stakeholders.

The Company has adopted, applied and complied with the code provisions of the New CG Code (as hereinafter defined) for the year ended 31 March 2022, except for provision C.2.1 in respect of the separate roles of the chairman and chief executive officer.

According to provision C.2.1 of the New CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lo Yuen Cheong is the Chairman and Chief Executive Officer of the Company, responsible for the financial and operational aspects of the Group, and is jointly responsible for the formulation of business development strategies of the Group. The Board believes that vesting the roles of both Chairman and Chief Executive Officer has the benefit of managing the Group's business and overall operation in an efficient manner. The Board considers that the balance of power and authority under the present arrangement will not be impaired in light of the operations of the Board with half of them being independent non-executive Directors. The Company will review the structure from time to time and shall adjust the situation when suitable circumstance arises.

The Company noted that amendments had been made to the Corporate Governance Code (the "New CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") which came into effect on 1 January 2022 and the requirements under the New CG Code will apply to the Corporate Governance Report of the Company for the financial year commencing on or after 1 January 2022. The Company has not applied any new amendments to the Corporate Governance Code that is not yet effective for the current financial year ended 31 March 2022. The Company will continue to observe and enhance its corporate governance practices to ensure compliance with the New CG Code and align with the latest regulatory developments.

THE BOARD

The Board has a balanced composition of members to ensure independent judgment being exercised in all discussions. The Board focuses on the overall strategies, policies and business plans of the Group, monitors the financial performance, internal controls and risk management of the Group. Executive Directors and senior management are responsible for the day-to-day operations of the Group.

The composition of the Board and the individual attendance (Board meetings and annual general meeting) of each Director are set out below:

Attendance	Board meetings from 1 April 2021 to the date of this report	2021 annual general meeting
Executive Directors		
Lo Yuen Cheong *(Chairman)*	5/6	0/1
Lo Yick Cheong	6/6	1/1
Non-executive Director		
Chan Wai Ying	6/6	1/1
Independent non-executive Directors		
Leung Wai Tat Henry	6/6	1/1
Lo Man Chi	6/6	1/1
Chau Wai Yung	6/6	1/1

In compliance with Rules 3.10A, 3.10 (1) and (2) of the Listing Rules, the Company has appointed three independent non-executive Directors representing not less than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. Biographical details of the Directors are set out in the section headed "Directors and Senior Management" in this report. Save for the relationships as detailed in the biographical details, there is no other relationship among the Board to the best knowledge of the Board members. The Company has also maintained on its website and that of the Stock Exchange an updated list of its Directors identifying their roles and functions and whether they are independent non-executive Directors. The independent non-executive Directors are explicitly identified in all of the Company's corporate communications.

Under code provision C.5.1 of the New CG Code, the Board shall meet regularly and at least four times a year at approximately quarterly intervals. The Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors.

Directors' resolutions were passed by way of written resolutions or by physical meetings or tele-conferencing. The Company has to comply with the New CG Code provisions with regard to the conduct of meetings, have annual meeting schedules and draft agenda of each meeting made available to Directors in advance and serve notice of regular Board meetings to all Directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is required to be given.

Board papers together with all appropriate, complete and reliable information have to be sent to all Directors at least 3 days before each Board meeting or committee meeting to keep Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

The Company's Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

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

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

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged appropriate directors' and officers' liability insurance for its Directors and officers covering the costs, losses, expenses and liabilities arising from the performance of their duties. The insurance policy covers legal action against its Directors and officers to comply with the requirement of the New CG Code. No claim was made against the Directors and officers of the Company for the year ended 31 March 2022.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Chairman and chief executive officer are two key aspects of the management of a company. Chairman performs the management of the Board and Chief Executive Officer performs the day-to-day management of the business.

The Company considered that both positions of Chairman and Chief Executive Officer require persons with in-depth knowledge and experience of the Group's business. The Company will review the structure from time to time and shall adjust the situation when suitable circumstance arises.

During the year, Mr. Lo Yuen Cheong has been both the Chairman and Chief Executive Officer of the Company. In addition to his responsibilities as Chairman leading and organising the business of the Board, ensuring its effectiveness, setting agenda and formulating overall strategies and policies of the Company, he has taken up the role of Chief Executive Officer to manage the Group's business and overall operation in an efficient manner. The day-to-day business of the Group has been delegated to the divisional heads responsible for the different aspects of the business.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years, and will continue thereafter until terminated by not less than three months' written notice to the other party.

Non-executive Director and each of the independent non-executive Directors have been appointed for an initial term of one year and three years respectively. The appointments are subject to the provisions of the Company's Articles of Association with regard to vacation of office of Directors, removal and retirement by rotation of Directors.

The procedures and process of appointment, re-election and removal of Directors are laid down in the Company's Articles of Association. Pursuant to the Company's Articles of Association, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors. Where vacancies arise at the Board, candidates will be proposed and put forward to the Board by the Nomination Committee.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance functions set out in code provision A.2.1 of the New CG Code:

(1) to formulate and review the Group's corporate governance policies and practices;

(2) to review and oversee the training and continuous professional development of Directors and senior management of the Group;

(3) to review and oversee the Group's policies and practices in compliance with legal and regulatory requirements;

(4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;

(5) to review and approve the strategy of environmental, social and governance and relevant policies; and

(6) to review the Group's compliance with the Appendix 14 to the Listing Rules (Corporate Governance Code) as adopted by it from time to time and the disclosure in the Corporate Governance Report as set out in the annual reports of the Company.

The Board had performed the above duties during the year.

BOARD COMMITTEE

The Company established a Nomination Committee, Remuneration Committee and Audit Committee with terms of reference in compliance with the New CG Code, which are posted on the websites of the Company and the Stock Exchange.

Nomination Committee

The Nomination Committee currently comprises five members, being three independent non-executive Directors including Mr. Leung Wai Tat Henry, Prof. Lo Man Chi, *JP* and Ms. Chau Wai Yung, and two executive Directors including Mr. Lo Yuen Cheong and Mr. Lo Yick Cheong.

The principal responsibilities of the Nomination Committee are regular reviewing of the Board composition, identifying and nominating suitable candidates as Board members, assessing of the independence of the independent non-executive Directors and Board evaluation.

The Board is of the view that the Nomination Committee has properly discharged its duties and responsibilities during the year ended 31 March 2022 and up to the date of this report.

From 1 April 2021 up to the date of this report, two meetings of the Nomination Committee were held to review the size, composition and diversity of the Board, the policy for nomination of Directors and the procedures, process and criteria to select and recommend candidates for directorship during the year. The attendance of individual members in the meeting is set out below:

Attendance	From 1 April 2021 to date of this report
Lo Yuen Cheong *(Chairman)*	2/2
Lo Yick Cheong	2/2
Chau Wai Yung	2/2
Leung Wai Tat Henry	2/2
Lo Man Chi	2/2

The Board has amended and adopted a nomination policy with effect from 27 December 2018. The nomination of candidate(s) is made in accordance with certain selection criteria: (a) reputation for integrity; (b) accomplishment and experience; (c) commitment in respect of available time and relevant interest; and (d) diversity in all aspects including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service of members of the Board, in assessing and selecting proposed candidates for directorship. The relevant procedures are set out in nomination policy for the Nomination Committee to follow subject to provisions in the Company's Articles of Association and applicable Listing Rules. The Board recognizes the need for appointment or re-election of directors, the following nomination procedures should be followed:

(a) The Nomination Committee shall review the structure, size, composition (including the skills, knowledge and experience) and diversity of the Board at least once annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

(b) The Nomination Committee shall identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.

(c) The Nomination Committee shall assess the independence of independent non-executive directors.

(d) The Nomination Committee shall make recommendations to the Board on the appointment or re-election of directors and succession planning for directors.

(e) Where the Board proposes a resolution to elect an individual as an independent non-executive directors at the general meeting, the Nomination Committee should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting.

(f) The Board shall have the final decision on all matters in respect of the recommendation of candidates to stand for election or re-election at any general meeting.

Remuneration Committee

The Remuneration Committee currently comprises of four members, being three independent non-executive Directors including Mr. Leung Wai Tat Henry, Prof. Lo Man Chi, *JP* and Ms. Chau Wai Yung, and one executive Director being Mr. Lo Yuen Cheong.

The Remuneration Committee is responsible for reviewing the remuneration package of the Directors and senior management and making recommendation to the Board for approval. The fees of the independent non-executive Directors are recommended by the Remuneration Committee to the Board for approval at the annual general meeting of the Company (with the relevant committee members abstaining from voting on the resolution concerning his/her own remuneration).

The Board is of the view that the Remuneration Committee has properly discharged its duties and responsibilities during the year ended 31 March 2022 and up to the date of this report.

From 1 April 2021 up to the date of this report, four meetings of the Remuneration Committee were held to review the remuneration policy and the remuneration packages for the Directors and senior management. The attendance of individual members in the meeting is set out below:

Attendance	**From 1 April 2021 to date of this report**
Chau Wai Yung *(Chairman)*	4/4
Lo Yuen Cheong	4/4
Leung Wai Tat Henry	4/4
Lo Man Chi	4/4

Details of the directors' emoluments for the year ended 31 March 2022 are set out in note 37 to the consolidated financial statements of this annual report. The emoluments of each of the three senior management of the Group are within the remuneration band of HK$1,500,001 to HK$2,000,000 for the year ended 31 March 2022.

Audit Committee

The Audit Committee currently comprises of four members, being three independent non-executive Directors including Mr. Leung Wai Tat Henry, Prof. Lo Man Chi, *JP* and Ms. Chau Wai Yung, and one non-executive Director being Ms. Chan Wai Ying.

The primary duties of the Audit Committee include making recommendations to the Board on the appointment, reappointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor and assessing their independence and performance, reviewing of the effectiveness of financial reporting processes, risk management and internal control systems, and the financial information and compliance of the Group. The Audit Committee meets at least twice a year with the Company's external auditor to discuss the audit process and accounting issues.

The Audit Committee reviewed with the management the Group's unaudited interim results for the six months ended 30 September 2021 and the audited annual results for the financial year ended 31 March 2022, and discussed internal controls, risk management and financial reporting matters. The Audit Committee also reviewed this report, and confirmed that this report complies with the applicable standards, the Listing Rules and other applicable legal requirements and that adequate disclosures have been made. There is no disagreement between the Directors and the Audit Committee regarding the selection and appointment of the external auditors. The Board is of the view that the Audit Committee has properly discharged its duties and responsibilities for the year ended 31 March 2022 and up to the date of this report.

From 1 April 2021 up to the date of this report, four meetings of Audit Committee were held with attendance of individual members as set out below:

Attendance	**From 1 April 2021 to date of this report**
Leung Wai Tat Henry *(Chairman)*	4/4
Chan Wai Ying	4/4
Chau Wai Yung	4/4
Lo Man Chi	4/4

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and the management has designed, implemented and monitored of the risk management and internal control systems of the Group to provide reasonable assurance for achieving objectives and to review its effectiveness covering all material controls, including financial and operational aspects, and compliance of applicable laws, rules and regulations.

Such systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, and aim to provide a reasonable, as opposed to an absolute assurance against material misstatement or loss. Under its framework, each department within the Group is responsible for identifying, assessing and managing risks, as well as ensuring internal control systems and risk management are effective. During the year, the Company engaged an external independent consultant with professional staff in possession of relevant expertise (the "independent professional firm") to perform internal audit function and to carry out an internal control review, which comprised, inter alia, enterprise risk assessment and review of the internal control system of the Group, including financial, operational and compliance controls. The review plan was approved by the Audit Committee and the Board.

Based on the risk assessment and the review of the internal control system of the Group conducted by the independent professional firm for the year, no significant risk and control deficiency was identified. The relevant assessment and review reports have been considered by the Audit Committee and the Board for assessing the effectiveness of the risk management and internal control systems. The Audit Committee has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function performed during the year ended 31 March 2022. The Board, through the reviews made by the independent professional firm and the Audit Committee, concluded that the risk management and internal control systems are effective and adequate in all material respects.

Disclosure of inside information

With reference to the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission under section 399 of the SFO, the Board has implemented procedures and internal controls for handling and dissemination of inside information. The Group has adopted a policy which aims to set out guidelines to the Group's directors, officers and all relevant employees to ensure inside information of the Company is to be disseminated to the public in equal and timely manner in accordance with the SFO and the Listing Rules.

QUALITY, HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT

Quality

The Group has instituted an integrated management system, meeting the requirements of ISO9001:2008, the clients and the statutory regulations. The Group has also obtained ISO14001:2015 for the professional standards of quality, safety, environmental and operation management.

The Group has consistently delivered products and services of the highest quality through a process of continuous improvement to earn social recognition and become the preferred partner with each of its valued clients.

Health, safety and environmental

Health and safety of all those who visit and work on the Group's sites, together with the protection of the environment, have been and will remain key priorities of the Group.

In addition to the three Board Committees of the Company, a robust Safety, Health and Environment Committee has been established to ensure that health, safety and environmental matters are appropriately managed by the Group. During the year, the Safety, Health and Environment Committee has continued to drive the continuous improvement of health, safety and environmental practices throughout the Group.

The committee members include an executive Director, an assistant general manager for operation, an assistant general manager for quality and health, safety and environmental management, and the safety manager and they meet formally bimonthly unless they are notified to the contrary.

The role of the Safety, Health and Environment Committee is to:

- Build and sustain an incident/injury-free working environment;
- Create a positive health, safety and environmental culture;
- Implement an effective health, safety and environmental management system and proactively manage health, safety and environmental performance.

The Group has improved its overall safety performance and achieved its ultimate goal of zero fatal accident and extremely low reportable accident case for the year. For the year ahead, the Safety, Health and Environment Committee will continue to promote the benefits of health, safety and environmental practices and reduce the Group's accident frequency rate.

BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance and hence the purpose of the Board Diversity Policy aims to build and maintain a Board with a diversity of Directors, in terms of skills, experience, knowledge, expertise, culture, independence, age and gender. In particular, the representation of men and women on the Board has reached 50%:50%. We believe gender diversity enables better problem solving and brings different perspectives and approaches issues differently, leading to improved decision making processes. These differences are taken into account in determining the optimum composition of the Board. The Nomination Committee discusses the measurable objectives for implementing diversity on the Board from time to time and recommends them to the Board for adoption.

The Nomination Committee reports annually on the composition of the Board from diversified perspectives, and monitors the implementation of this policy to ensure the effectiveness of this policy. It also discusses any revisions that may be required, and recommends any such revisions to the Board for consideration and approval.

CONTINUOUS PROFESSIONAL DEVELOPMENT

According to code provision C.1.4 of the New CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding suitable training, as well as placing an appropriate emphasis on the roles, functions and duties of the Directors.

The Directors confirmed that they have complied with the code provision C.1.4 of the New CG Code on Directors' training and they have provided a record of training they received for the year ended 31 March 2022 to the Company.

A summary of continuous professional development each Director participated in during the year ended 31 March 2022, according to the records provided, is set out below:

Name of Directors	Attending internal briefings or trainings, participating seminars or reviewing materials
Executive Directors	
Lo Yuen Cheong	✓
Lo Yick Cheong	✓
Non-executive Director	
Chan Wai Ying	✓
Independent non-executive Directors	
Leung Wai Tat Henry	✓
Lo Man Chi	✓
Chau Wai Yung	✓

All the Directors attended a training session conducted by the Company's legal adviser relating to directors' duties and responsibilities under the Hong Kong Companies Ordinance (Cap. 622), the Listing Rules and other applicable laws and regulations.

CORPORATE GOVERNANCE REPORT

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors.

Specific enquiry has been made of all the Directors and all Directors have confirmed that they have complied with the required standard set out in the Model Code for the year ended 31 March 2022.

DELEGATION OF MANAGEMENT FUNCTIONS

The Board reserves for its decision all major matters of the Company including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management. The delegated functions and responsibilities are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

ACCOUNTABILITY

The Directors are acknowledged of their responsibility for preparing of the financial statements of the Group for the year ended 31 March 2022 under applicable statutory and regulatory requirements which give true and fair view of the state of affairs, the results of operations and cashflow of the Group. The Directors ensure that the financial statements for the year ended 31 March 2022 were prepared in accordance with the statutory requirements and the applicable accounting standards, and have been prepared on a going concern basis.

The management has provided sufficient explanation and information of the Group's financial, operational performance as well as business development and also with management accounts and monthly updates to the Board to enable the Board to make an informed assessment of the Group's performance, financial position and Group's prospects to enable the Board and each Director to discharge their duties. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The Group recognises that the independence of an external auditor is a fundamental governance principle. External auditor provides the Board and shareholders an objective assurance on whether the financial statements fairly represent the financial position and performance of the Group in all material aspects.

The working scope and reporting responsibilities of the external auditor, PricewaterhouseCoopers, are set out on pages 39 to 42 in the Independent Auditor's Report.

Company Secretary

All Directors have access to the advice and services of the company secretary of the Company, Mr. Wan Ho Yin, a full time employee of the Company. Please refer to his biographical details as set out on page 9 of this annual report.

During the year ended 31 March 2022, Mr. Wan Ho Yin has taken not less than 15 hours of professional training.

Shareholders' Rights

The Company is committed to pursue active dialogue with shareholders as well as to provide disclosure of information concerning the Group's material developments to shareholders, investors and other stakeholders.

Any shareholder entitled to attend and vote at a general meeting of the Company is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. Shareholders holding 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 have the right, by written requisition to the Board, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

To safeguard shareholder interests and rights, a separate resolution would be proposed for each substantially separate issue at shareholder meetings, including the election of individual directors.

All resolutions put forward at shareholder 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 shareholder meeting.

As regards proposing a person for election as a director, the procedures are available on the website of the Company.

Shareholders who have enquiries regarding the above procedures may write to the company secretary of the Company at Unit D, 10/F, Skyline Tower, 18 Tong Mi Road, Mongkok, Kowloon, Hong Kong.

There are no provisions allowing shareholders to make proposals or move resolutions at shareholders' meeting under the Articles of Association or the laws of the Cayman Islands. Shareholders who wish to make proposals or move a resolution may, however, convene an extraordinary general meeting as set out above.

Dividend policy

The Directors acknowledge the importance of stakeholders' engagement and it is the Company's dividend policy to contemplate at least two times a year (prior to the announcement of annual and interim results) on the distribution of a dividend. While the Directors endeavour to share the Group's results with shareholders by way of a dividend, the portion and actual amount of distribution out of profits will be determined by the Directors having regard to a variety of factors, including but not limited to the Group's actual and expecting operating results and conditions, gearing level, general financial condition, availability of cash, future plans and funding needs for expansion.

The payment of dividend by the Company is also subject to any restrictions under the Articles of Association. The dividend policy will be reviewed periodically and when necessary in light of changes in circumstances and regulatory requirements. There is no assurance that a dividend will be proposed or declared in any specific periods.

Auditor's remuneration

For the year ended 31 March 2022, the remuneration paid/payable to the Company's auditor, PricewaterhouseCoopers, amounted to HK$1,600,000 in respect of the annual audit and interim review services of the Company. There is no non-audit services performed during the year ended 31 March 2022.

The statement of the Company's external auditor, PricewaterhouseCoopers, regarding their reporting responsibilities is set out in pages 39 to 42 in the Independent Auditor's Report forming part of this annual report.

Independent auditor

The Audit Committee reviews and monitors the independent auditor's independence, objectivity and effectiveness of the audit process. It receives each year letter from the independent auditor confirming their independence and objectivity and holds meetings with representatives of the independent auditor to consider the scope of its audit, approve its fees, and the scope and appropriateness of non-audit services, if any, to be provided by it. The Audit Committee also makes recommendations to the Board on the appointment and retention of the independent auditor.

Investor relations

There was no significant amendment made to the constitutional documents of the Company during the year.

The Group recognises the importance of timely and non-selective disclosure of information. The Company's corporate website www.manking.com.hk, which features a dedicated Investor Relations section, facilitates effective communication with shareholders, investors and other stakeholders, making corporate information and other relevant financial and non-financial information available electronically and in a timely manner. Latest information of the Company includes announcements, press releases and constitutional documents.

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationships. Comments and suggestions are welcome, and they can be addressed to the Group by mail or by email at manking@manking.com.hk.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Board acknowledges its responsibility for ensuring the integrity of the environmental, social and governance ("ESG") Report. The Group is committed to develop sustainability in accordance with the ESG management principles by building the Group as an open, transparent and fair enterprise with due consideration of the environmental and social responsibilities with its business objectives, planning and operation. We will keep working towards achieving long-term sustainable growth of our business while safeguarding stakeholders' interests.

The Group has implemented internal environmental policies by setting up the Safety, Health and Environment Committee aiming to ensure that the environmental matters are appropriately managed by the Group.

REPORTING SCOPE AND PRINCIPLES

This ESG Report focuses on the operation of the Group's business in providing civil engineering services in Hong Kong as main contractor. The information published in this ESG Report covers the period from 1 April 2021 to 31 March 2022 (the "Reporting Period"), unless otherwise stated, which is the same as the financial year covered in the Group's annual report for the year ended 31 March 2022.

This report is prepared in accordance with the following reporting principles:

- Materiality: The Group identified key ESG topics through stakeholder engagement and materiality assessment, which has been disclosed in this ESG Report;
- Balance: The ESG Report presented the Group's environmental and social performance in an unbiased manner;
- Quantitative: Information on the standards, methodologies and source of conversion factors used for the reporting of emission and energy consumption has been disclosed in this ESG Report;
- Consistency: The methodology for disclosing key environmental performance indicators is consistent with that of the previous year.

MATERIALITY ASSESSMENT

The management and employees who are responsible for the key functions of the Group have participated in preparing this report, assisting the Group in reviewing its operation, identifying key environmental, social and governance issues and assessing the importance of these issues to our businesses and stakeholders. We collected the information from relevant departments of the Group with reference to the identified material environmental, social and governance issues.

We have identified material ESG policies and performance for the Reporting Period with reference to Appendix 27 — Environmental, Social and Governance Reporting Guide of the Listing Rules, and discussed each as below:

IDENTIFIED MATERIALITY ASSESSMENT FOR ESG ASPECTS

Environmental

Emissions (air, noise, water)
Waste mitigation measures
The environment and natural resources
Use of resources
Climate change

Social

Employment and labour practices
Training and development
Health and safety
Labour standards
Supply chain management
Product responsibility
Anti-corruption
Community investment

ENVIRONMENTAL

The Group is committed to minimising negative impact caused by its operations on the environment. The Group has obtained ISO14001:2015, a certified environmental management system aiming to follow and to promote good sustainability practice, to reduce our negative impacts of all our activities by using least resource practicable, developing smarter method of construction, and creating processes to deliver projects more efficiently, and influencing our clients to do the same.

(i) Emission

(a) Air (Carbon emissions)

The Air Pollution Control Ordinance provides powers to statutory authorities to control air pollutants from a variety of stationary and mobile sources, including fugitive dust emissions from construction sites. The Ordinance also provides license control on certain polluting industrial processes known as "specified processes" such as concrete batching. The aim is to properly control and monitor the air pollution caused by the industries that have significant pollution potential.

Over 50% of the Group's carbon emissions contribute comes from fuel used in cars and goods vehicles owned and operated by the subsidiaries or joint operations of the Group. We reduced these emissions through a combination of investment in new fuel efficient vehicles and driver training. All of our commercial vehicles are Euro V emission standards, which have better air emissions performance. We have also provided to our project clients with cars driven by electricity instead of fuel, so as to help mitigate the carbon emission.

For the Reporting Period, the Group was not aware of any non-compliance with the relevant laws and regulations for the above matters.

(b) Noise

To help mitigate the negative construction impacts to the public, we carry out all construction activities only during the permitted hours and days. We carry out construction works using powered mechanical equipment with silence devices. In addition, our project sites have set up retrofitting noise barriers and limitation of speed of site vehicles within 20km/h to reduce noise generation.

During the Reporting Period, the Group was not aware of any non-compliance with the relevant laws and regulations on noise emission control, and had not received any direct complaints from the public and fines or warning notices from the Environmental Protection Department.

(c) Water

To fully comply with The Water Pollution Control Ordinance which governs waste water discharged by our construction site, all our projects apply and maintain valid license before any of these discharges commence.

We have carried out comprehensive water quality mitigation measures to comply with the regulations as well as better management on water resources for each project, mainly focusing on water conversation and discharge quality. Each project monitors its water use and consumption.

During the Reporting Period, the Group was not aware of any non-compliance with the relevant laws and had not received any complaints or fines or warning notices from the public or the relevant environmental agencies on our wastes water disposal activities.

(ii) Waste mitigation measures

Managing waste is a key environmental issue of the Group and we recognise that the construction activities may affect the environment in a number of ways and commit to minimise the potential negative impacts on a site-by-site basis, taking into account the size, constraints and type of the project. The hierarchy adopted is based on reuse, recycling, reduction, recovery and at the last resort, treatment prior to disposal.

Type of Waste	Works requiring Waste Mitigation Measures	Mitigation Measures
Construction Waste	Construction mainly comprises: 1. Road works 2. Earthworks 3. Drainage and Sewerage works 4. Water works	(a) Application of proper procedures and controlled conditions to minimise concrete wastage. (b) A reconciliation of concrete supplied and volumes placed will be supplied to the engineer and/or foreman to enable him to check that wastage volumes are kept within reasonable limits.
Formwork/ Steel Waste	Construction mainly comprises: 1. Road works 2. Earthworks 3. Drainage and Sewerage works 4. Water works	(a) Reusable metal forms will be used for drainage works so that large wastage of planks and timber can be minimised. (b) Careful design and planning to avoid over ordering of timber for formwork. (c) Maximise the use of standard timber faced panels for repetitive reuse. (d) To minimise steel wastage, steel structure for roofing, walkway, will be prefabricated prior to delivery to site.
Demolition Waste	1. Mainly due to site clearance 2. Existing staircase	(a) As these volumes of waste are unavoidable, site works areas and haul roads will be contained as far as possible to limit site clearance waste. (b) Removal of debris, temporary or permanent structures and other items arising from site clearance.

Type of Waste	Works requiring Waste Mitigation Measures	Mitigation Measures
Chemical Waste	Form oil, retarder, bonding agent, diesel for poker vibrator and generator, etc., used in the construction of 1. Road works 2. Earthworks 3. Drainage and Sewerage works 4. Water works	(a) Adjacent to the sorting facility/site boundary, will be a chemical storage area for keeping chemicals to avoid accidental leakage into the ground and with a chemical waste storage area next to it for placement of chemical waste and its disposal by a chemical waste collector. (b) Chemicals will be placed in the chemical storage area or in a bunded area to avoid accidental spillage. (c) Accidental spillage of chemicals will be properly treated to avoid passing into the drainage system. (d) Will register as a chemical waste producer with Environmental Protection Department of HKSAR.
Sorting of Waste for recycle prior to disposal	Waste generated from the construction includes: 1. Road works 2. Earthworks 3. Drainage and Sewerage works 4. Water works Excavation & backfilling 5. Slope works 6. Removal of debris, temporary or permanent structures and other items arising from site clearance	(a) Sorting area and chemical storage areas to be arranged. (b) Skip is made available for the collection of general waste for disposal. (c) Sorting will take place at the designated area near the entrance and at the boundary of the site to allow for efficient sorting and disposal (if required). (d) Waste water will be recycled for wheel washing and water spray to prevent dust generation. (e) Site hoarding will be bunded to avoid waste water flowing down the slope to the nearby premises (f) Manhole will also be bunded with sand bags to avoid waste water entering as a result of surface run-off due to rain. (g) Licence to dump at the public fill will be applied for and will dump at the designated area as approved by Civil Engineering and Development Department of HKSAR.

The amount of materials that we purchase and the amount of waste thus generated is a direct cost to our business. Reduction in waste will make our business operate in a more efficient way and thus provide both economic and financial benefits. For example, we managed to divert a number of tuck loads fell trees from disposal to landfill for re-uses as horticultural features from our projects. This gives us great incentive and help to consistently reduce waste to landfill and increase re-use.

(iii) Use of resources

The Group upholds and promotes the principle of effective use of resources and is committed to optimising the use of resources in all of its business operations. The Group has established aforementioned policies and procedures in governing the use of energy and water to achieve higher efficiency and reduce the unnecessary use of resources.

The below performance data are for reference only and they may vary significantly subject to the number of projects on hand and the stage of completion of each project:

	2021/2022	**2020/2021**	**2019/2020**
Electricity	538,341 kWh	542,940 kWh	412,054 kWh
Water	22,655 m^3	48,790 m^3	9,482 m^3
Petrol	42,999 litres	46,299 litres	21,545 litres
Diesel	142,904 litres	136,059 litres	283,676 litres
NO_x emissions	450,792 g	344,390 g	515,611 g
SO_x emissions	2,933 g	2,871 g	4,884 g
PM emissions	37,401 g	28,660 g	42,972 g
Scope 1 (Direct emissions)	475 tCo_2e	465 tCo_2e	792 tCo_2e
Scope 2 (Energy indirect emissions)	291 tCo_2e	293 tCo_2e	223 tCo_2e
Total greenhouse gas emissions (Scope 1 + Scope 2)	766 tCo_2e	758 tCo_2e	1,015 tCo_2e
Non-hazardous waste	31,067 tonnes	24,369 tonnes	5,590 tonnes
Paper consumption	4,031 kg	2,740 kg	2,074 kg

Our hazardous waste mainly refers to the disposal of spent lube oil and empty paint can where the quantities are minimal to the Group. We monitor the usage of resources regularly to prevent any abnormal usage. Explanation is required in our management meeting in the event that there is an abnormal usage of resources.

We have reduced paper usage by implementing new human resource management system to allow employees accessing salary and leave record online to replace the payroll slip. We have also set up temperature monitor sensor at our site office to monitor any excessive electricity usage.

Apart from the above, we encourage our employees to reuse non-confidential waste paper and recycling and seasonal free of air-conditioner within the workplace, and always fully utilise the vehicles by planning the routes on daily basis.

To support the local renewable energy development, we purchased the Renewable Energy Certificate issued by the CLP during the year. This aims to reduce the carbon footprint and support the local renewable energy generated from the renewable energy sources including solar power, wind power and landfill gas projects.

Due to the geographical location of the Group's business, the Group did not encounter any problem in sourcing water that was fit for purpose.

In light of the Group's business nature, the use of packaging material was not considered to be a material ESG aspect to the Group.

(iv) The Environment and Natural Resources

As a main contractor in providing civil engineering services, carbon emissions, noise and wastewater are generated during the Group's business operations. The Group recognises its responsibility in minimising significant negative impacts on the environment and natural resources in its business operations and has therefore established a pollution control system and installed various equipment to process and dispose of its industrial wastes. The Group remains conscious of its existing and potential impacts, and regularly assesses the environmental risks of its business model, adopts preventive measures and ensures compliance with relevant laws and regulations.

The Group has adopted various measures to reduce the emissions, noise and wastewater generated. Such measures are aforementioned in "Air (Carbon emissions)", "Noise" and "Water".

(v) Climate change

The Group recognises the importance of the identification and mitigation of significant climate related matters; therefore, the Group is committed to managing the potential climate-related risks which may impact the Group's business activities.

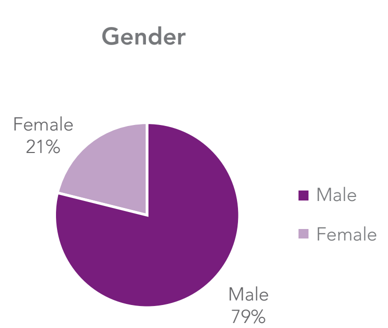
The Board meets regularly and cooperates closely with key management to identify and evaluate climate-related risks and to formulate strategies to manage the identified risks.

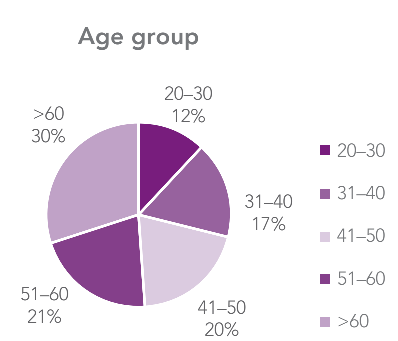
The Group identified the material impacts on the Group's business arising from the increased frequency and severity of extreme weather such as typhoons and heavy rains can disrupt the Group's operations by damaging the construction sites, and injuring its employees during their work, leading to reduced capacity and decreased in productivity, or expose the Group to risks associated with delayed performance. To minimise the potential risks and hazards, the Group has flexible working arrangements and precautionary measures during bad or extreme weather conditions.

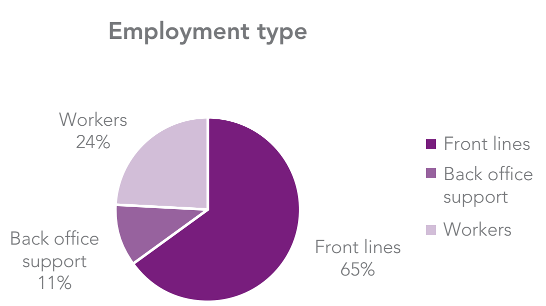
SOCIAL

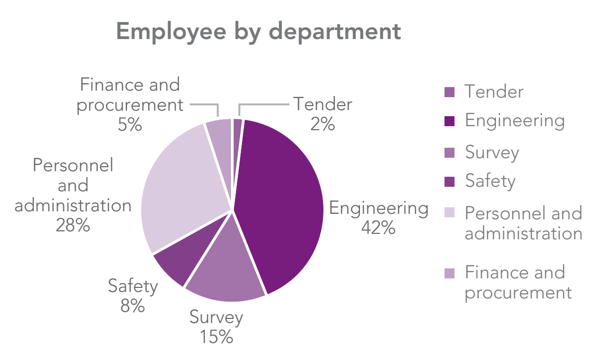
(i) Employment and labour practices

The Group has established and maintained fair and comprehensive employment policies and regulatory standards in compliance with the Employment Ordinance, the Employees' Compensation Ordinance and other applicable regulations, and has provided equal opportunity and career development to all of the employees. As at 31 March 2022, the Group has a total of 171 full-time employees (2021: 123 full-time employees) in Hong Kong and the total workforce by gender, age group, employment type and employee by department are demonstrated as follow:









During the Reporting Period, the Group honoured all obligations to our employees including the payment of salaries and wages, holiday and leave, compensation, insurance and health benefits without disputes, violations or litigation related to employment.

There are approximately 584,000 registered construction workers in Hong Kong in December 2021 and over 44% of them are older than 50. The retirement of old workers will exacerbate the problem of labour shortage. We face the same challenge and we continue to recruit young workers with attractive remuneration packages to maintain our productivity.

Diversity
We value the diverse background and experience of our people to make most of their talents. Gender emphasis on male is common in construction industry. However, the gender of our Board are well diversified and balanced. We believe it will bring the same benefit to the front line by recruiting more female employees in the future.

Employee Engagement and Retention
Our growth relies on our people. The number of staff depends on the number of projects on hand. We continue to recruit and develop a number of apprentices, Vocational Training Council (VTC) and undergraduate placements. The Group, through its operation companies, has sponsored scholarships to VTC students in the past years. This provided a reliable access for recruitment of fresh talents.

Employee turnover rate by gender and age group

		Number of turnover employees (person)	Turnover rate
By gender	Male	40	30%
	Female	9	25%
By age	Below 30	10	50%
	30–50	16	25%
	Over 50	23	26%

Compensation and dismissal
The Group compensates employees according to the statutory requirements. Unreasonable dismissal under any circumstances is strictly prohibited. Dismissal will be based on reasonable and lawful grounds supported by internal policies of the Group.

Working hours and vacations
Official working hours and vacations are clearly stated in the Employee Handbook and are in accordance with local employment laws.

Equal opportunity and anti-discrimination
The Group strove to optimise the system of human resources management to promote fairness and equality within the workplace, human resources policy has been established to ensure there is no discrimination on the grounds of age, gender, marital status, family status, sexual orientation, disability, ethnic group, nationality or religion. In accordance with our human resource policy, the above factors are not considered in the decision-making process of employment, remuneration, and promotion.

(ii) Training and development

Providing training and development opportunities to our workforce is important in recruitment and retention of our employees. We know that work should be challenging, rewarding and stimulating and should be able to provide new opportunities to employees to overcome obstacles and develop skills. With this in mind, we make sure that all the staffs across every part of the business have regular opportunities to learn and grow.

In the past years, we mainly focused on new NEC form of contract comprehensive training which was fully implemented for all public works, and engaged an expert to provide professional development supervision, mentoring and counselling services to our selected civil engineering staff by way of group discussions, workshops and one-to-one meeting with formal annual appraisal. We have also nominated employees to attend the core programs which were comprehensive and beneficial to personal development. Average training hours for each employee reached approximately 4.9 hours during the year ended 31 March 2022.

Same as last year, we have also joined Contractor Cooperative Training Scheme organised by the Construction Industry Council to encourage on-site training for our engaged subcontractors. Development is important in recruitment and retention of our employees and we target to provide a minimum of 3 training days for each employee. We continue to sponsor our employees to engage in learning courses in technical apprenticeship programme and degree programme, and sponsor personnel self-development through the taking up of external training programs, seminars or diploma courses.

Percentage of employees trained and average training hours completed per employee gender and employment type

		Percentage of employees trained	Average training hours completed per employee
By gender	Female	25%	5.4
	Male	27%	4.7
By function	Management	33%	5.8
	General Staff	25%	4.7

(iii) Health and safety

The health and safety requirements challenge our management to ensure it creates a safe working environment for all our staff. To ensure adequate protection for employees against accidents, instructions in relation to safety policies and procedures have been issued to departments and work sites on safety policies and procedures. Further, the Group has established Safety, Health and Environment Committee to drive the continuous improvement of health, safety and environmental practices throughout the Group. The Group has developed, implemented and maintained a safety management system to:

- Build a positive health and safety culture within the workforce
- Properly implement safety and health control measures
- Minimize accidents/near misses
- Deliver the project on time
- Improve the effectiveness of safety and health systems
- Efficiently use of resources
- Enhance productivity
- Enhance communication between project team and stakeholders.

According to the latest Occupational Safety and Health Statistics, the average accident rate and fatality rate was 26.1 and 0.036 per 1,000 workers respectively in the construction industry.

Through the concerted efforts of all parties concerned, the Group has no fatal accident in each of the past three years including the current year, and there were two reportable accidents in the current year and none in last year, and 0.006 lost days per the total number of mandays due to work injury in the current year.

In addition, the Group was awarded the following during the year:

(a) Gold Award — the CEDD Construction Site Safety Award 2020;

(b) Silver Award — The 27th Considerate Contractors Site Award Scheme presented jointly by the Development Bureau and Construction Industry Council; and

(c) Merit Award — the Innovation Award for Site Safety 2020 of CEDD Award Scheme for Good Performers on Construction Site Safety.

The Group also carried out the following Covid-19 preventive measures during the year:

(1) Work Plan

- Establish clear anti-epidemic guidelines, emergency procedures and reporting mechanism to reduce the risk of transmission and spread of disease.
- Provide workers/employees with adequate information, instruction and training to ensure that they are familiar with the relevant procedures and notification mechanism.
- When possible, Work from Home is allowed and flexible lunch hours is encouraged to reduce the chances of employees going out and increasing contact among them.
- Desks at office must be arranged with a distance of at least 1.5 metres or a partition.
- Provide surgical mask and ensure all the persons including visitors to wear surgical mask all the time when at site office area.
- Conduct body temperature screening for all entering the site entrance and provide hand sanitizers.
- Suspend unnecessary meetings and activities to avoid crowd gathering.
- Video conference is adopted to minimize the chance of direct human interactions.
- Provide disinfection agents at the entrances of construction site and office.
- Provide adequate supply of liquid soap and disposable towels in the toilets.
- Clean and disinfect common areas of construction site with 1:99 household bleach at least once per day, especially focusing on site office, toilets, meeting room, pantry and walkways.
- For metallic surfaces, disinfect with 70% alcohol. More frequent cleaning should be made to frequently touched surfaces such as palm machine, password buttons and door handles.
- Ensure good ventilation in the site office, site rest shelters and site areas/entrance. Keep windows open where possible. And when needed, artificial ventilation will be provided to facilitate air flow.
- Flexible lunch hour is encouraged and if the workers take lunch at their rest shelter, up to four people are allowed as a group.
- If someone feels unwell, he will be arranged to visit clinic and get tested for Covid-19.

(2) Using artificial intelligent products

- Facial recognition to detect any unauthorized access
- Video analytics to detect intrusion into restricted zone

The benefits of using above are to (i) keep managing staff informed of any site hazards, (ii) control environment to prevent workers to access safe-risk zone, and (iii) promote safe access culture and draw attention to the safety risks.

(iv) Labour standards

Forced labour and child labour are ethical issues relating to infringement of basic human rights and put the Group's reputation at risk. The Group strictly prohibits the use of forced and child labour.

We have complied with all relevant laws and regulations as to protecting labour rights and taken reasonable steps to ensure that no forced labour, child labour and illegal labour are in our business operations, including the subcontractors worked with the Group. The Group has no record of employment conviction in the past 7 years.

During the recruitment process, all candidates' identification documents are fully examined and verified to ensure that only employees over the age of 16 will be recruited. Such practice is extended to the workers hired by the Group's subcontractors.

In the case that any of the Group's subcontractors is involved in hiring child labour and this comes into the Group's knowledge, the concerned subcontractor will be banned or suspended from submitting tenders for the Group's future projects.

During the Reporting Period, the Group was not aware of any labour dispute records or any non-compliance cases on labour employment issues.

(v) Supply chain management

We have engaged over 120 suppliers and 80 subcontractors to carry out works for our projects based in Hong Kong. The Group maintains long term business relationship with them to ensure stable supply of materials or carrying out subcontracting works on time. Our site agents keep reviewing the performance of each supplier or subcontractor on an annual basis, focusing on their abilities to meet quality, cost, safety and schedule requirements, and other criteria such as competency, cooperation, communication and organisation of work. If the evaluation score for a particular supplier/subcontractor is below average, that supplier/subcontractor will be classified as a disqualified supplier/subcontractor and removed from the supplier/subcontractor register. Such performance evaluation will be reviewed by the management, and the supplier/subcontractor of unsatisfactory performance will be discussed in the project review meeting. The Group understands the importance of incorporating environmental and social practices of its suppliers and therefore endeavors to engage suppliers who act responsibly with regard to green supply chain management.

(vi) Product Responsibility

It is the policy of the Company, in executing operations at all time in such manner to ensure the customers' satisfaction and full compliance of statutory and other requirements in terms of quality, environment, health and safety in the company's projects.

Project Quality Assurance

In the course of implementation and execution of the project, our project management team will carry out regular quality check and inspection in order to ensure that works done by our subcontractors conform to the contractual specifications. We have been awarded with the ISO 9001 for our quality management system. We will also hold progress meetings with our customer throughout the project where our project manager will report the progress to the customer, discuss the major issues encountered and obtain customer's feedbacks. We aim to maintain clear and timely communication with subcontractors and clients. If complaints are received regarding our products or services, we will record the reason of complaint and carry out follow-up actions as prompt responses.

During the year ended 31 March 2022, no complaint was received which is related to our products and services and there were no products sold or shipped subject to recalls for safety and health reasons.

Project Safety Assurance

On the construction site, the project manager and his or her team have to ensure safety standards of the reclamation and other construction projects meet the contractual requirements. Customers or consultants could also access to review the related safety supervision results for verification of the project safety and compliance status.

With our long history and presence in Hong Kong, our proven track record and well-established relationship with our existing customers, we are able to rely on our existing customer base, reputation and customer referrals such that we do not rely on promotional activities and therefore there were no issues of advertising and labelling during the year ended 31 March 2022.

Consumer Data Protection

The Group values the protection of confidential information of our employees and customers. We comply with local laws and regulations relating to personal information such as the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) to prevent misuse of our customers' information. Employees are required to acknowledge and comply with the Employee Handbook with regards to the confidentiality clause restricting employees from divulging or communicating any customer or company-related information to any person outside of the Group. Any unauthorised access, disclosure or use of information will be subject to disciplinary actions including termination and legal action.

During the year ended 31 March 2022, there were no cases of non-compliance in relation to health and safety, advertising, labelling and privacy matters relating to products and services provided by the Group and there were no products sold or shipped subject to recalls for safety and health reasons.

Based on the result of materiality assessment, intellectual property right is not considered material and no disclosure is made with this regard.

(vii) Anti-corruption

We always demonstrate strong commitment to anti-corruption business practices and have zero tolerance to corruption. We have implemented whistle-blowing policy statement and code of conduct on notice board to listen to the concerns of employee, and to make sure they know about the policy and how to make a disclosure. All employees of the Group are required to strictly observe the code on personal and professional conducts and the guidelines on anti-bribery and anti-corruption conducts as provided in the manual of code of conduct of the Group as follows:

1. Prevention of Bribery Ordinance — soliciting or accepting any advantage in connection with the employee's work for the Group without the permission of the Group is strictly prohibited and such conduct may amount to an offence under Section 9(2) of the Prevention of Bribery Ordinance (Chapter 201 of the laws of Hong Kong).

2. Acceptance of Advantage — soliciting or accepting any advantage when conducting business for the Group is prohibited, unless with the prior permission of the Group in writing.

3. Entertainment — employees should avoid accepting lavish or frequent entertainment from business partners associated with the Group (e.g. clients, suppliers or subcontractors) to prevent being affected in their business judgement. Excessive gambling and loans should also be avoided.

4. Conflict of Interest — employees should avoid any situation which may lead to an actual or perceived conflict of interest and make a declaration to the Group when such occasion occurs.

Employees who are in breach of the code of conduct may be dismissed or removed. Employees may report in writing to the Group regarding the suspected misconduct. Reports and complaints received will be handled in a prompt and fair manner. The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation or discrimination. Therefore, the employee reporting in good faith under the whistle-blowing mechanism can be assured of protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated. There is no legal case relating to bribery, extortion, fraud or money laundering brought against the Group or its employees and the Group is not aware of any material non-compliance with the relevant laws and regulations relating to corrupt practices that would have a significant impact on the Group during the year. We continue to carry out regular review and update policy statement if necessary so as to ensure their effectiveness to strengthen the internal controls and compliance regime of the Group.

During the year, we have voluntarily subscribed to the Integrity Charter of the construction industry mainly organized by the ICAC which aims at further promote integrity management. We committed that we prohibit all forms of bribery and corruption and is committed to integrity, honesty and our management would attend integrity training regularly to keep abreast the update on anti-corruption.

(viii) Community investment

We believe corporate social responsibility as a viable and necessary part of doing business. Our aim, as a responsible construction group, is to reduce this negative impact by approaching our business objectives responsibly and by responding to the different concerns and demands of those affected by our activities, while remaining profitable and competitive.

Our Group's subsidiaries have been qualified as Caring Company launched by the Hong Kong Council of Social Service which is specifically geared to building strategic partnerships among businesses and non-profit organisations to create a more cohesive society.

During the current year, we have made a donation of HK$500,000 to the Chinese University of Hong Kong ("CUHK") to support the development of the CUHK medical center. We place emphasize on the social responsibility and while would also balance our stakeholders' interests.

We see the long-term and sustainable development in Hong Kong is crucial to our business, and that we continue to enhance our integrated strength as well as operating and management expertise to develop a new model for multifaceted investments and business development. We shall strive to create a solid and proactive proprietary framework for securing our position in the ever-changing market environment and be a valuable member of the community.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT OF AN ASSOCIATED GROUP

The Group's 20.3% owned One Belt One Road project in Pakistan is committed to leadership and continuous improvement in environmental, health, and safety practices for the benefits of employees, contractors and communities. This is accomplished by:

- Providing a safe and healthy workplace;
- Integrating environmentally sound practices into all processes;
- Complying with applicable laws, regulations, policies, and standards;
- Conserving natural resources and energy;
- Providing necessary resources to support environmental, health, and safety goals and objectives; and
- Integrating environmental, health, and safety goals and objectives with an overall business strategy.

Since the business engages in coal transshipment services from the on-going vessels to the jetty, large volumes of open-air coal transshipment will create coal dust environmental problem. Although there is no clear standard and method for pollution monitoring, we have adopted several special procedures on resolving coal dust problems. Key anti-dust measures include the operation of water spray mist at the coal hoppers, anti-spillage platform at coal hoppers, enclosed conveyors, and covering of coal in barge when there is a strong wind.

Another key environmental concern remains fuel consumption by the vessels. The fuel consumption decreased in line with the coal transshipment volume, from approximately 3,173 tons for the year ended 31 March 2021 to approximately 2,177 tons for the year ended 31 March 2022. We aim to minimize the adverse impact of environment by using marine gasoil (MGO) in which sulphur content is less than 0.5% and in compliance with international maritime requirement. As a result, sulphur dioxide emission is much less to mitigate the impact of climate change, despite the higher operating costs than the other low grade fuel such as heavy fuel oil.

We also consider safety concern on large numbers of stevedores working on board during the peak season. All the new coming crew, labour and stevedores should get tested for Covid-19 and under quarantine ashore for at least 10 days. In addition to the safety banners, warning signs and notices displayed on the vessels, a variety of techniques, such as poster campaign, conduct of talks and the distribution of safety information sheets and guides are adopted in order to strengthen the promotion of health and safety.

Despite the concerns above, we are pleased to share the recent recognitions of ISO9001:2015 *Quality management systems — Requirements*, ISO14001:2015 *Environmental management systems — Requirements with guidance for use*, and ISO45001:2018 *Occupational health and safety management systems — Requirements with guidance for use* for this project, which are hardly achievable within such a short period of operation time. The group continues to develop, implement and maintain other environmental management systems such as environmental legislation review and due diligence for compliance, environmental auditing and training focusing on key areas, and the application for the compliance of ISO50001:2018 *Energy management systems — Requirements with guidance for use*.

pwc

羅兵咸永道

To the Shareholders of Man King Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Man King Holdings Limited (the "Company") and its subsidiaries (the "Group") which are set out on pages 43 to 91, comprise:

- the consolidated statement of financial position as at 31 March 2022;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Our opinion

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 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

KEY AUDIT MATTERS

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

Key audit matter identified in our audit is related to revenue recognised from construction contacts of civil engineering services.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognised from construction contracts of civil engineering services	
Refer to Notes 2.23 and 5 to the consolidated financial statements. During the year ended 31 March 2022, revenue from civil engineering works of approximately HK$408,200,000 was recognised in the Group's consolidated statement of profit or loss and other comprehensive income. A contract with customer for civil engineering services usually takes more than one year to complete and involves a series of services and works. From time to time, there are additional work (scope changes, claims and disputes). Contract revenue is recognised over time as the Company creates assets that the customer controls during the course of construction. The progress towards complete satisfaction of relevant performance obligation is measured using output method, based on direct measurements of the values of works transferred by the Group to the customers with reference to certificates issued by independent surveyors as compared against the progress estimated by internal project teams. We focused on this area due to magnitude of revenue transactions occurred and management's judgements involved in identifying distinct performance obligations, assessment of the variable consideration, determination of revenue recognition pattern and appropriate method to measure the progress towards complete satisfaction of performance obligation of a contract.	Our audit procedures performed on revenue recognised from construction contracts of civil engineering services included: • We understood and evaluated management's internal controls and validated the relevant controls, on a sample basis, in respect of revenue recognised from civil engineering services and assessed the inherent risk of material misstatements by considering the degree of estimation uncertainty and level of other inherent risk factors such as subjectivity; • We inspected construction contracts, on a sample basis, and agreed contract sum and variations, if any, to management records; • We evaluated the appropriateness of the management's judgement adopted in revenue recognition of new contracts, including identification of distinct performance obligations, the determination of revenue recognition pattern and method to measure the progress towards complete satisfaction of performance obligation, as well as the amount of variable consideration recognised; • We checked, on a sample basis, the latest progress certificates issued by independent surveyors and agreed to the amount recognised as revenue; and • We evaluated the reasonableness of the progress of contracts and additional work, on a sample basis, by (i) comparing the progress payment applications to the certificates issued by independent surveyors, and (ii) interviewing project teams about the progress of contracts and their evaluation of financial impacts of additional work. Based upon the above procedures performed, we considered that the revenue recognised from construction contracts of civil engineering services were supported by available evidence.

OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ng Hiu Tung.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 28 June 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	Notes	**2022** **HK$'000**	2021 HK$'000
Revenue	5	**408,200**	276,552
Cost of services		**(356,794)**	(247,153)
Gross profit		**51,406**	29,399
Other income	6	**2,206**	1,946
Other (losses)/gains, net	7	**(302)**	176
Administrative expenses		**(26,800)**	(27,119)
Operating profit		**26,510**	4,402
Finance costs	8	**(221)**	(97)
Share of profit of an associate		**14,756**	13,161
Profit before income tax	9	**41,045**	17,466
Income tax expenses	11	**(4,123)**	(1,722)
Profit for the year		**36,922**	15,744
Other comprehensive income/(loss)			
Item that may be reclassified subsequently to profit or loss			
Share of other comprehensive income/(loss) of an associate		**1,232**	(676)
Total comprehensive income for the year attributable to the owners of the Company		**38,154**	15,068
Earnings per share for profit attributable to the owners of the Company:			
Basic and diluted per share (HK cents)	12	**8.79**	3.75

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	**17,888**	10,905
Right-of-use assets	16	**15,559**	1,993
Investment in an associate	17	**99,806**	98,820
Prepayment for property, plant and equipment	21	**1,447**	–
		134,700	111,718
Current assets			
Inventories	19	**8,914**	3,356
Contract assets	20	**61,408**	42,520
Trade and other receivables	21	**39,516**	25,409
Amounts due from joint operations	22	**12,924**	14,882
Financial assets at fair value through profit or loss	23	**5,162**	5,650
Pledged bank deposits	24	**–**	5,206
Cash and cash equivalents	24	**153,264**	107,102
		281,188	204,125
Total assets		**415,888**	315,843
EQUITY			
Equity attributable to owners of the Company			
Share capital	25	**4,198**	4,198
Share premium and other reserves		**94,534**	105,897
Retained earnings		**180,391**	143,469
Total equity		**279,123**	253,564
LIABILITIES			
Non-current liabilities			
Lease liabilities	16	**12,082**	605
Deferred tax liabilities	29	**1,672**	–
		13,754	605
Current liabilities			
Contract liabilities	26	**22,092**	7,398
Trade and other payables	27	**78,764**	36,348
Amounts due to other partners of joint operations	22	**11,070**	13,864
Bank borrowings	28	**4,118**	1,634
Lease liabilities	16	**3,589**	1,400
Tax liabilities		**3,378**	1,030
		123,011	61,674
Total liabilities		**136,765**	62,279
Total equity and liabilities		**415,888**	315,843

The consolidated financial statements on pages 43 to 91 were approved by the Board of Directors on 28 June 2022 and were signed on its behalf.

LO Yuen Cheong	**LO Yick Cheong**
Director	*Director*

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

	Attributable to owners of the Company						
	Share capital HK$'000	**Share premium** HK$'000	**Property revaluation reserve** HK$'000	**Other reserve** HK$'000 (Note)	**Exchange reserve** HK$'000	**Retained earnings** HK$'000	**Total** HK$'000
At 1 April 2020	4,198	71,780	1,193	33,600	–	127,725	238,496
Profit for the year	–	–	–	–	–	15,744	15,744
Other comprehensive loss	–	–	–	–	(676)	–	(676)
Total comprehensive income	–	–	–	–	(676)	15,744	15,068
At 31 March 2021	4,198	71,780	1,193	33,600	(676)	143,469	253,564
At 1 April 2021	4,198	71,780	1,193	33,600	(676)	143,469	253,564
Profit for the year	–	–	–	–	–	36,922	36,922
Other comprehensive income	–	–	–	–	1,232	–	1,232
Total comprehensive income	–	–	–	–	1,232	36,922	38,154
Dividends paid	–	(12,595)	–	–	–	–	(12,595)
At 31 March 2022	4,198	59,185	1,193	33,600	556	180,391	279,123

Note: As part of the group reorganisation, there are series of restructuring within Man King Holdings Limited (the "Company") and its subsidiaries mainly involved interspersing investment holding entities between the operating subsidiaries and investment holding companies. The difference between the Company's share capital and the combined share capital of Concentric Construction Limited ("Concentric") and Peako Engineering Co. Limited ("Peako"), the indirect wholly-owned subsidiaries of the Company, was credited to other reserve on 31 December 2014.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
Cash flows from operating activities			
Cash generated from operations	32(a)	**51,330**	37,904
Income tax paid, net		**(103)**	(227)
Net cash generated from operating activities		**51,227**	37,677
Cash flows from investing activities			
Purchase of property, plant and equipment		**(12,391)**	(4,726)
Prepayments for property, plant and equipment		**(1,447)**	–
Proceeds from disposals of property, plant and equipment	32(b)	**54**	288
Purchase of financial assets at fair value through profit or loss ("FVTPL")		**–**	(4,317)
Proceeds from disposal of financial assets at FVTPL		**–**	2,278
Advances to joint operations		**(3,951)**	(7,712)
Repayments from joint operations		**6,115**	12,828
Dividend received from financial assets at FVTPL		**313**	–
Dividend received from an associate		**15,002**	18,885
Withdrawal of pledged bank deposits		**5,206**	–
Interest received		**29**	126
Net cash generated from investing activities		**8,930**	17,650
Cash flows from financing activities			
Proceeds from bank borrowings	32(c)	**5,100**	–
Repayment of bank borrowings	32(c)	**(2,616)**	(2,171)
Interest paid for bank borrowings		**(75)**	(62)
Repayment of principal element of lease liabilities	16, 32(c)	**(2,560)**	(1,393)
Payment of interest element of lease liabilities	16, 32(c)	**(146)**	(35)
Repayment of other partners of joint operations	32(c)	**(2,730)**	–
Advances from other partners of joint operations	32(c)	**1,627**	930
Dividend paid		**(12,595)**	–
Net cash used in financing activities		**(13,995)**	(2,731)
Net increase in cash and cash equivalents		**46,162**	52,596
Cash and cash equivalents at beginning of the year		**107,102**	54,506
Cash and cash equivalents at end of the year	24	**153,264**	107,102

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 GENERAL INFORMATION

Man King Holdings Limited (the "Company") was incorporated in the Cayman Islands on 12 November 2014 as an exempted company with limited liability under the Companies Law, (Cap. 22, Law 3 of 1961, as combined and revised) of the Cayman Islands. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the "Group") are principally engaged in the provision of civil engineering works.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Its ultimate holding company is LOs Brothers (PTC) Limited and its immediate holding company is Jade Vantage Holdings Limited.

The consolidated financial statements are presented in Hong Kong Dollar ("HK$") and all values are rounded to the nearest thousand ("HK$'000"), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss ("FVTPL") which have been measured at fair value.

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

(a) Amended standards adopted by the Group

The Group has adopted the following amendments to standards which are relevant to the Group's operations and are mandatory for the financial year beginning on 1 April 2021:

HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform — Phase 2
HKFRS 16 (Amendments)	Covid-19-Related Rent Concessions

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(b) New and amended standards issued but not yet adopted by the Group

The following new standards and amendments to standards have been issued but are not yet effective for the financial period of the Group beginning on 1 April 2021 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
Annual Improvements Project	Annual Improvements to HKFRSs 2018–2020	1 January 2022
HKFRS 3 (Amendments)	Reference to the Conceptual Framework	1 January 2022
HKAS 16 (Amendments)	Property, Plant and Equipment — Proceed before Intended Use	1 January 2022
HKAS 37 (Amendments)	Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
Amendments Accounting Guideline 5	Merger Accounting for Common Control Combinations	1 January 2022
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
HKFRS 17 (Amendments)	Amendments to HKFRS 17	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies	1 January 2023
HKAS 8 (Amendments)	Definition of Accounting Estimates	1 January 2023
HKAS 12 (Amendments)	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will apply the above new standard, revised framework and amendments to standards when they become effective. No new standard, revised framework and amendments to standards is expected to have a significant effect on the consolidated financial statements of the Group.

2.2 Principles of consolidation and equity accounting

2.2.1 Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group other than business under common control combination (Note 2.3).

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Principles of consolidation and equity accounting *(Continued)*

2.2.2 Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (Note 2.2.4), after initially being recognised at cost.

2.2.3 Joint arrangements

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint operations.

Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operations are set out in Note 14.

2.2.4 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.8.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.4 Separate financial statements

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Segment reporting

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

2.6 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in the consolidated statement of profit or loss and other comprehensive income as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land and building	Shorter of the term of the leases or 40 years
Leasehold improvements	Over the term of the leases
Plant and machinery	3 to 5 years
Office equipment	5 years
Motor vehicles	3 to 5 years
Vessels (held by an associate of the Group)	25 years

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of profit or loss and other comprehensive income within "other (losses)/gains, net".

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Impairment of non-financial assets

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

2.9 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVTPL, and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of profit or loss and other comprehensive income.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Investments and other financial assets *(Continued)*

(c) Measurement *(Continued)*

Debt investments

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated statement of profit or loss and other comprehensive income and presented in "other (losses)/gains, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated statement of profit or loss and other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains, net. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other (losses)/gains, net" and impairment expenses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the consolidated statement of profit or loss and other comprehensive income and presented within "other (losses)/gains, net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated statement of profit or loss and other comprehensive income as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other (losses)/gains, net" in the consolidated statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Offsetting financial instruments

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

2.11 Inventories

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

Cost is determined using the first-in, first-out ("FIFO") basis, comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Trade and other receivables

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

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

2.13 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash at bank and deposits held at call with banks with original maturity of three months or less.

2.14 Share capital

Ordinary shares are classified as equity.

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

2.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of profit or loss and other comprehensive income as finance costs.

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

2.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are expensed in the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

2.18 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Current and deferred income tax *(Continued)*

(b) Deferred income tax

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

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current income tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in the consolidated statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.19 Employee benefits

(a) Employee leave entitlements

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

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

(b) Pension obligations

The Group pays contributions to defined contribution plans in Hong Kong. The schemes are generally funded through payments to separate trustee-administered funds, determined by periodic calculations.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.19 Employee benefits *(Continued)*

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after balance sheet date are discounted to present value.

2.20 Share-based payment

Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss and other comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

2.21 Provisions

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

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

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

The Group provides for assurance-type warranties in relation to the provision of civil engineering services for general repairs of defects occurring during the warranty period. The assurance-type warrant does not provide incremental service to the customer. Costs incurred to repair of defects are additional costs of providing the initial services. The estimated costs are recorded as a liability when the Group transfers the services to the customer.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.22 Contingent liabilities

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

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

2.23 Revenue recognition

(a) Civil engineering services

Revenue recognition policy

The Group recognises revenue upon the transfer of control of promised goods or services to customers, measured at the fair value of the consideration received or receivable, and represents amounts for the construction service rendered in the ordinary course of the Group's activity. The Group is acting as a principal rather than as an agent given that the Group integrates the materials, labor and equipment into the deliverables promised to the customers.

Revenue is recognised over time as the Company creates assets that the customer controls during the course of construction. The Group applies the output method in recognising revenue from construction contracts by estimation of the progress towards complete satisfaction of relevant performance obligation, with reference to certificates issued by independent surveyors. The Group reviews the estimation of independent surveyors on an ongoing basis.

Contracts

The Group derives revenue primarily from civil engineering projects, including roads and drainage, site formation and port works, with the Government of the Hong Kong Special Administrative Region and some private sector entities, under fixed price contracts, subjected to modification by agreeing claims and variation orders.

Performance Obligations

A performance obligation is a contractual promise to transfer a distinct good or service to a customer and is the unit of account under HKFRS 15. Contracts of the Group often require significant services to integrate complex activities and equipment into a single deliverable and are therefore generally accounted for as a single performance obligation. Contract amendments, claims and variation orders, which are generally not distinct from the existing contract, are typically accounted for as a modification of the existing contract and performance obligation.

Variable considerations

The nature of the Group's contracts give rise to several types of variable consideration, including claims and unpriced variation orders. The Group recognises amount of variable consideration (for examples, scope changes, claims and disputes) in the transaction price only to the extent that is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

Factors to be considered in determining whether revenue associated with variable considerations should be recognised including whether there is evidence supporting the variable consideration to be reasonable, objective and reliably estimated.

When there is change in circumstances, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to better predict the circumstances present at the end of the reporting period and the changes in circumstances during the year.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised in accordance with the policy set out in Note 2.21.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.23 Revenue recognition *(Continued)*

(b) Bareboat charter hire services

Revenue from charter hire services provided by the associates of the Group that are classified as operating leases are recognised over the period of charter hire in accordance with the charter hire agreements.

Initial direct costs incurred in arranging operating leases are added to the carrying amount of the assets and recognised as an expense over the lease term on the same basis as the lease income.

(c) Coal transshipment service

An associate of the Group is principally engaged in coal transshipment services. The associate has entered into an agreement with a third party for transshipping the coal from on going vessels to the jetty of the customer. Revenue are recognised on a daily basis, being when the Group's associate has delivered the coal to the customers and the customers have accepted the coal. The customers have full discretion over the coal, and there is no unfulfilled obligation that could affect the customers' acceptance of the coal. Delivery occurs when the coal has been transported to the specified location.

2.24 Contract assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assume performance obligations to transfer goods or services to the customer. The combination of those rights and performance obligations give rise to a net asset or net liability depending on the relationship between the remaining rights and the performance obligations.

A contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer.

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

Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as assets and subsequently amortised when the related revenue is recognised.

2.25 Interest income

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

2.26 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.27 Dividend income

Dividends are received from financial assets measured at FVTPL. Dividends are recognised as other income in the consolidated statement of profit of loss and other comprehensive income when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in other comprehensive income if it relates to an investment measured at FVOCI. However, the investment may need to be tested for impairment as a consequence.

2.28 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases are recognised on a straight-line basis over the lease term as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.29 Government subsidies

Subsidies from the government are recognised at their fair value where there is a reasonable assurance that the subsidies will be received and the Group will comply with all attached conditions.

Government subsidies relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Foreign exchange risk

The Group's transactions are substantially denominated in HK$. The majority of assets and liabilities are denominated in HK$ except United States dollars ("USD") and British Pound ("GBP") denominated financial assets at FVTPL. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in a currency other than HK$, which is the functional currency of the major operating companies within the Group. The Group currently does not hedge its foreign currency exposure.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates. In the opinion of the directors, HK$ are reasonably stable against the USD under the Linked Exchange Rate System, and accordingly, no sensitivity analysis with respect to the USD against HK$ is performed.

At 31 March 2022, if GBP had weakened/strengthened by 5% against the HK$ with all other variables held constant, profit before income tax for the years then ended would have been approximately HK$103,000 lower/higher (2021: HK$123,000 lower/higher).

(ii) Cash flow and fair value interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from bank balances, variable-rate pledged bank deposits and bank borrowings with floating interest rates. Other than bank balances, pledged deposits and bank borrowings, the Group does not have significant interest-bearing assets or liabilities.

At 31 March 2022 and 2021, the directors of the Company consider that the interest rate risk in relation to the Group's bank balances, pledged deposits and bank borrowings is not significant as the fluctuation of the interest rates are minimal.

(iii) Price risk

The Group's exposure to price risk arises from investments held by the Group and classified in the consolidated statement of financial position as FVTPL.

At 31 March 2022, if the fair values of the investments classified as financial assets at FVTPL had been 5% higher/lower, with all other variables held constant, the Group's profit before income tax would have been approximately HK$258,000 higher/lower (2021: HK$283,000 higher/lower). Profit before income tax would increase/decrease as a result of gains/losses on financial assets classified as at FVTPL.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk

The credit risk of the Group mainly arises from cash at banks, pledged bank deposits, amounts due from joint operations, contract assets, trade receivables, deposits and other receivables. The carrying amounts of each financial asset represent the Group's maximum exposure to credit risk in relation to financial assets.

(i) Risk management

The Group has policies in place to ensure that credit terms are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers.

The credit risk on pledged bank deposits and cash at banks are limited because deposits are in banks with sound credit ratings and management does not expect any loss from non-performance by these counterparties.

For the years ended 31 March 2022 and 2021, 98% and 91% of the Group's revenue was derived from various departments of the Government of the Hong Kong Special Administrative Region ("Government departments") respectively, where 85% and 89% of the Group's revenue was derived from its top three customers respectively. As at 31 March 2022 and 2021, 86% and 80% of the total trade and retention receivables were due from Government departments respectively.

For other receivables, the Group assessed the credit quality of the counter parties by taking into account their financial position, credit history, forward-looking information and other factors. Management also regularly reviews the recoverability of these receivables and follow up the disputes or amounts overdue, if any.

(ii) Impairment of financial assets

Trade receivables, contract assets and trade-related amounts due from joint operations

The Group performs impairment assessment under expected credit loss ("ECL") model, as required under HKFRS 9 Financial Instruments, for all trade receivables, contract assets and trade-related amounts due from joint operations.

The Group considers the credit risk characteristics of trade receivables, contract assets and trade-related amounts due from joint operations to measure the ECL. For trade receivables, contract assets and trade-related amounts due from joint operations, the Group has assessed the ECL by considering historical default rates, existing market conditions and forward-looking information. The ECL on these assets are assessed individually based on credit rating.

Based on the Group's assessment, ECL rate of trade receivables, contract assets and trade-related amounts due from joint operations is close to zero. Therefore, the loss allowance provision for these balances was not material.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk *(Continued)*

(ii) Impairment of financial assets (Continued)

Other financial assets at amortised cost

The Group's other financial assets carried at amortised cost include deposits and other receivables in the consolidated statement of financial position. The impairment loss of other financial assets carried at amortised cost is measured based on the 12-month expected credit loss. The 12-month expected credit loss is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

— external credit rating (as far as available);

— actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;

— actual or expected significant changes in the operating results of the borrower; and

— significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

As at 31 March 2022 and 2021, management considered the credit risk of deposits and other receivables to be low as counterparties have a strong capacity to meet their contractual cash flow obligations in the near term. The Group has assessed that the expected credit losses for these other receivables were immaterial under 12-month expected losses method. Therefore, the loss allowance provision for these balances was close to zero and no provision was recognised.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

Prudent liquidity risk management implies maintaining sufficient cash and bank balances. The Group's liquidity risk is further mitigated through the availability of financing through its own cash resources and the availability of banking facilities to meet its financial commitments. In the opinion of the directors, the Group does not have any significant liquidity risk.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interests payments computed using contractual rates, or if floating, based on the current rates at the year end dates during the year). Where the loan agreement contains a repayable on demand clause which gives the lender the unconditional right to call the loan at any time, the amounts repayable are classified in the earliest time bracket in which the lender could demand repayment. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	On demand HK$'000	Less than 1 year HK$'000	More than 1 year HK$'000	Total HK$'000
At 31 March 2022				
Trade and other payables	**–**	**54,849**	**16,799**	**71,648**
Amounts due to other partners of joint operations	**11,070**	**–**	**–**	**11,070**
Bank borrowings	**4,216**	**–**	**–**	**4,216**
Lease liabilities	**–**	**3,845**	**12,558**	**16,403**
	15,286	**58,694**	**29,357**	**103,337**
At 31 March 2021				
Trade and other payables	–	20,857	13,725	34,582
Amounts due to other partners of joint operations	13,864	–	–	13,864
Bank borrowings	1,653	–	–	1,653
Lease liabilities	–	1,429	609	2,038
	15,517	22,286	14,334	52,137

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Liquidity risk *(Continued)*

The management does not expect that it is probable that the banks will exercise their rights to demand repayment. The management expect that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

	Less than 1 year HK$'000	**1–2 years** HK$'000	**2–5 years** HK$'000	**Total** HK$'000
At 31 March 2022				
Bank borrowings	**1,879**	**1,752**	**585**	**4,216**
At 31 March 2021				
Bank borrowings	1,526	127	–	1,653

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

The Group monitors capital on the basis of total debt to total capital ratio. Total debt and total capital represent total bank borrowings and total equity respectively. The debt to equity ratios as at 31 March 2022 and 2021 are as follows:

	2022 **HK$'000**	2021 HK$'000
Total borrowings (Bank borrowings (Note 28))	**4,118**	1,634
Total equity	**279,123**	253,564
Debt to equity ratio	**1.5%**	0.6%

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation

Financial instruments carried at fair value are analysed by valuation method. The different levels have been defined as follows:

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

The carrying amounts of the Group's financial assets, including trade and other receivable, deposits, amounts due from joint operations, pledged bank deposits and cash and cash equivalents; and the Group's financial liabilities, including trade and other payables, amounts due to other partners of joint operations and bank borrowings, approximate their fair values due to their short maturities.

The nominal values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The following table presents the carrying value of financial instruments measured at fair value at the consolidated statement of financial position.

	Fair value measurement as at 31 March 2022		
	Level 1	**Level 2**	**Total**
	HK$'000	**HK$'000**	**HK$'000**
Recurring fair value measurements			
Financial assets at FVTPL			
— Listed equity securities	**1,462**	**–**	**1,462**
— Unlisted fund investments	**–**	**3,700**	**3,700**
	1,462	**3,700**	**5,162**

	Fair value measurement as at 31 March 2021		
	Level 1	Level 2	Total
	HK$'000	HK$'000	HK$'000
Recurring fair value measurements			
Financial assets at FVTPL			
— Listed equity securities	1,374	–	1,374
— Unlisted fund investments	–	4,276	4,276
	1,374	4,276	5,650

There were no transfers between levels 1 and 2 during the year (2021: Nil).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Construction contracts — recognition of revenue

A contract with customer for civil engineering services usually takes more than one year to complete and involves a series of services and works. From time to time, there are additional work (for example scope changes, claims and disputes). The Group assesses revenue recognition of contracts, including determining transaction price, identification of distinct performance obligations, the determination of revenue recognition pattern and method to measure the progress towards complete satisfaction of performance obligation.

The Group considers each contract has only one single performance obligation because the works are integration of various activities, and recognises revenue over time as it creates assets that the customer controls during the course of construction. The progress towards complete satisfaction of relevant performance obligation is measured using output method, based on direct measurements of the values of works transferred by the Group to the customers. The Group considers the output method better depicts the Group's performance in transferring control of goods or services to their customers. The construction works performed by the Group are certified by the surveyors appointed by the customers. The Group has internal project teams to measure their work and counter check with the certificates issued by independent surveyors.

Identification of performance obligation, evaluation of the financial impact of additional work and estimation of the completion status of construction works requires significant judgment and has significant impact on the amount and timing of revenue recognised.

Contract assets mainly include unbilled revenue in respect of the Group's right to receive consideration for a completed project in prior year but not yet billed. Significant judgment is exercised on the assessment of the possibility of the customer approving the respective variations. In making the judgment, management considers a wide range of factors such as results of obtaining legal advice for potential dispute, follow-up procedure with the customer, customer payment trends including subsequent payments.

5 REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company and the Group is principally engaged in providing civil engineering services in Hong Kong as main contractor ("Civil Engineering Works").

The chief operating decision-maker has been identified as the executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. The executive directors have determined the operating segment based on these reports.

The executive directors consider the Group's operation from a business perspective and determine that the Group has one reportable operating segment being the Civil Engineering Works.

The executive directors assess the performance of the operating segment based on a measure of revenue and gross profit.

During the year ended 31 March 2022 and 2021, all the Group's revenue were from contracts with customers and were recognised over time and derived from operations in Hong Kong.

As at 31 March 2022 and 2021, the Group's non-current assets are all located in Hong Kong except for the investment in an associate. The Group's associate is incorporated in Hong Kong and principally operating in Pakistan.

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Major customers

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

	2022 **HK$'000**	2021 HK$'000
Customer A	**113,536**	145,293
Customer B	**169,766**	92,202
Customer C	**65,426**	N/A
Customer D	**50,140**	N/A

Note: Revenue from customer C and D did not exceed 10% of total revenue for the year ended 31 March 2021.

(b) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from long-term construction related services contracts.

	2022 **HK$'000**	2021 HK$'000
Aggregate amount of the transaction price of long-term construction contracts that are partially or fully unsatisfied as at 31 March	**1,306,845**	559,505

Management expects that the transaction prices regarding the unsatisfied contracts as of 31 March 2022 will be recognised as revenue as follows:

	2022 **HK$'000**	2021 HK$'000
Within one year	**644,715**	342,026
More than one year but not more than two years	**321,278**	144,690
More than two years	**340,852**	72,789
	1,306,845	559,505

6 OTHER INCOME

	2022 **HK$'000**	2021 HK$'000
Management fee income	**420**	1,177
Dividend income from financial assets at FVTPL	**313**	234
Bank interest income	**29**	126
Others	**1,444**	409
	2,206	1,946

7 OTHER (LOSSES)/GAINS, NET

	2022 HK$'000	2021 HK$'000
Fair value changes of financial assets at FVTPL	**(488)**	74
Net exchange gain	**140**	98
Gain on disposal of property, plant and equipment	**46**	4
	(302)	176

8 FINANCE COSTS

	2022 HK$'000	2021 HK$'000
Interest expense on bank borrowings	**75**	62
Interest expense on lease liabilities (Note 16)	**146**	35
	221	97

9 PROFIT BEFORE INCOME TAX

	2022 HK$'000	2021 HK$'000
Profit before income tax is arrived at after charging:		
Employee benefit expenses (Note 10)	**74,374**	57,926
Auditor's remuneration	**1,260**	1,260
Depreciation of property, plant and equipment (Note 15)	**5,371**	5,407
Depreciation of right-of-use assets (Note 16)	**2,660**	1,408
Write-off of property, plant and equipment	**29**	188
Cost of construction materials (Note 19)	**26,886**	16,527
Subcontracting charges	**238,650**	176,226

10 EMPLOYEE BENEFIT EXPENSES

	2022 HK$'000	2021 HK$'000
Directors' emoluments (Note 37)	**9,671**	8,801
Other staff salaries and other allowances (Note (a))	**63,044**	47,766
Other staff retirement benefit scheme contributions	**1,659**	1,359
Total employee benefit expenses, including directors' remuneration	**74,374**	57,926

Notes:

(a) For the year ended 31 March 2021, government grants of HK$6,229,000 from the employment support schemes had been offset in "other staff salaries and other allowances".

(b) Post-employment benefits — defined contribution plans

No forfeited contributions for the Group is available to reduce the contribution payment in the future years. Contributions to schemes vest immediately.

(c) Five highest paid individuals

The five individuals whose remuneration were the highest in the Group for the year include two directors (2021: two) whose remuneration are reflected in the analysis shown in Note 37. The emoluments payable to the remaining three (2021: three) individuals during the year are as follows:

	2022 HK$'000	2021 HK$'000
Salaries and other allowances	**3,714**	3,474
Discretionary bonus	**1,108**	579
Retirement benefit scheme contributions	**54**	54
	4,876	4,107

The number of highest paid non-director individuals whose remunerations for the year fell within the following bands:

	2022 No. of employees	2021 No. of employees
HK$1,000,001 to HK$1,500,000	**–**	2
HK$1,500,001 to HK$2,000,000	**3**	1
	3	3

For the year ended 31 March 2022, no remuneration (2021: Nil) was paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office, and no arrangement under which a director or the five highest paid individuals waived or agreed to waive any of the remuneration.

11 INCOME TAX EXPENSES

	2022 HK$'000	2021 HK$'000
Hong Kong Profits Tax		
Current year	**2,451**	1,552
Under-provision in prior years	**–**	170
	2,451	1,722
Deferred taxation (Note 29)	**1,672**	–
	4,123	1,722

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits for the year.

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

	2022 HK$'000	2021 HK$'000
Profit before tax	**41,045**	17,466
Less: Share of profit of an associate	**(14,756)**	(13,161)
	26,289	4,305
Tax at Hong Kong Profits Tax Rate of 16.5%	**4,338**	710
Income not subject to tax	**(174)**	(102)
Expenses not deductible for tax purposes	**740**	477
Utilisation of previously unrecognised tax losses	**(2,223)**	(836)
Tax losses for which no deferred tax asset was recognised	**1,431**	1,303
Tax concession	**–**	(10)
Under-provision in prior years	**–**	170
Withholding tax for dividend income	**11**	10
Income tax expenses for the year	**4,123**	1,722

12 EARNINGS PER SHARE

Basic earnings per share for the year is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2022	2021
Profit attributable to owners of the Company (HK$'000)	**36,922**	15,744
Weighted average number of ordinary shares in issue (thousands)	**419,818**	419,818
Basic and diluted earnings per share (HK cents)	**8.79**	3.75

For the purpose of determining the diluted earnings per share amount, no adjustment has been made to the basic earnings per share amount for the years ended 31 March 2022 and 2021 as the Group had no potentially dilutive ordinary shares in issue during these years.

13 SUBSIDIARIES

The Group's principal subsidiaries at 31 March 2022 and 2021 are set out below.

Name of subsidiary	Place of incorporation and kind of legal entity	Principal activities	Particulars of paid up capital	Percentage of effective interest held/controlled by the Group 2022	2021
Directly held:					
Keytime Developments Limited	British Virgin Islands ("BVI"), limited liability company	Investment holding	Ordinary shares USD1	**100%**	100%
Wit Plus Limited	BVI, limited liability company	Investment holding	Ordinary shares USD1	**100%**	100%
Rich Partner Global Limited	BVI, limited liability company	Investment holding	Ordinary shares USD100	**100%**	100%
Indirectly held:					
Peako	Hong Kong, limited liability company	Construction and civil engineering	Ordinary shares HK$22,560,000	**100%**	100%
Concentric	Hong Kong, limited liability company	Construction and civil engineering	Ordinary shares HK$28,680,000	**100%**	100%
Man King Construction Limited	Hong Kong, limited liability company	Investment holding	Ordinary shares HK$100	**100%**	100%

14 JOINT OPERATIONS

Particulars of the Group's joint operations at the end of each reporting period are as follows:

Name of joint operation	Place of establishment and operation	Form of business structure	Equity interest attributable to the Group 2022	2021	Principal activities
Concentric — Hong Kong River	Hong Kong	Unincorporated	**49%**	49%	Civil engineering works
Peako — Wo Hing	Hong Kong	Unincorporated	**70%**	70%	Civil engineering works
Penta-Ocean — Concentric	Hong Kong	Unincorporated	**49%**	49%	Civil engineering works
Concentric — Sheung Moon	Hong Kong	Unincorporated	**60%**	60%	Civil engineering works
CGC	Hong Kong	Unincorporated	**49%**	49%	Civil engineering works

15 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Motor vehicles HK$'000	Office equipment HK$'000	Total HK$'000
As at 1 April 2020						
Cost	2,350	1,459	3,959	10,686	11,100	29,554
Accumulated depreciation	(179)	(1,177)	(2,216)	(6,918)	(7,006)	(17,496)
Net book amount	2,171	282	1,743	3,768	4,094	12,058
Year ended 31 March 2021						
Opening net book amount	2,171	282	1,743	3,768	4,094	12,058
Additions	–	–	2,070	1,315	1,341	4,726
Disposals/written-off	–	–	(168)	(116)	(188)	(472)
Depreciation charge (Note 9)	(80)	(216)	(1,341)	(1,665)	(2,105)	(5,407)
	2,091	66	2,304	3,302	3,142	10,905
As at 31 March 2021						
Cost	2,350	1,459	5,289	10,489	11,777	31,364
Accumulated depreciation	(259)	(1,393)	(2,985)	(7,187)	(8,635)	(20,459)
Net book amount	2,091	66	2,304	3,302	3,142	10,905
Year ended 31 March 2022						
Opening net book amount	2,091	66	2,304	3,302	3,142	10,905
Additions	–	1,843	3,396	2,497	4,655	12,391
Disposals/written-off	–	–	–	(20)	(17)	(37)
Depreciation charge (Note 9)	(80)	(173)	(1,779)	(1,572)	(1,767)	(5,371)
	2,011	1,736	3,921	4,207	6,013	17,888
As at 31 March 2022						
Cost	2,350	3,302	9,257	13,355	16,879	45,143
Accumulated depreciation	(339)	(1,566)	(5,336)	(9,148)	(10,866)	(27,255)
Net book amount	2,011	1,736	3,921	4,207	6,013	17,888

The Group's leasehold land is held under a medium-term lease in Hong Kong.

16 LEASES

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated statement of financial position

	2022 HK$'000	2021 HK$'000
Right-of-use assets — Properties		
As at 1 April	1,993	607
Additions	16,226	2,794
Depreciation expense (Note 9)	(2,660)	(1,408)
As at 31 March	15,559	1,993
Lease liabilities		
As at 1 April	2,005	604
Additions	16,226	2,794
Interest expense (Note 8)	146	35
Payments of principal element	(2,560)	(1,393)
Payments of interest element	(146)	(35)
As at 31 March	15,671	2,005
Current	3,589	1,400
Non-current	12,082	605
	15,671	2,005

(b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2022 HK$'000	2021 HK$'000
Depreciation charge of right-of-use assets (Note 9)	2,660	1,408
Interest expense (Note 8)	146	35
Expense relating to short-term leases	345	–

The Group leases various offices and car parks. The leases run for periods up to 6 years with extension or termination options considered. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

17 INVESTMENT IN AN ASSOCIATE

	2022 HK$'000	2021 HK$'000
Unlisted investments in an associate, at cost	**96,712**	96,712
Share of post-acquisition results and other comprehensive income, net of dividends	**3,094**	2,108
	99,806	98,820

Share of post-acquisition results and other comprehensive income

	2022 HK$'000	2021 HK$'000
As at 1 April	**20,993**	8,508
Share of profit and other comprehensive income	**15,988**	12,485
As at 31 March	**36,981**	20,993

Notes:

(a) Details of the Group's associate at the end of the reporting period are as follows:

Name of entity	Country of incorporation and operation	Proportion of ownership interest held by the Group 2022	2021	Principal activity
River King Management Holdings Limited and its subsidiaries ("River King")	Hong Kong, Malta and Pakistan	**20.3%**	20.3%	Provision of bareboat charter hire services and coal transshipment services

(b) The following is the extract of financial information of the Group's associate which is accounted for using the equity method:

	2022 HK$'000	2021 HK$'000
Revenue	**184,642**	184,523
Profit for the year	**72,691**	64,833
Other comprehensive income/(loss)	**6,073**	(3,332)
Total comprehensive income	**78,764**	61,501

17 INVESTMENT IN AN ASSOCIATE *(Continued)*

Share of post-acquisition results and other comprehensive income *(Continued)*

Notes: *(Continued)*

(b) The following is the extract of financial information of the Group's associate which is accounted for using the equity method: *(Continued)*

	2022	2021
	HK$'000	HK$'000
Non-current assets		
Property, plant and equipment	**423,362**	444,252
Other non-current assets	**343**	1,026
	423,705	445,278
Current assets	**87,880**	50,746
Total assets	**511,585**	496,024
Non-current liabilities	**(7,308)**	(3,179)
Current liabilities	**(12,618)**	(6,048)
Total liabilities	**(19,926)**	(9,227)
Net assets	**491,659**	486,797

(c) Reconciliation of the summarised financial information presented to the carrying amount of the Group's investment in an associate

	2022	2021
	HK$'000	HK$'000
Opening net assets as at 1 April	**486,797**	518,325
Profit for the year	**72,691**	64,833
Dividend paid	**(73,902)**	(93,029)
Other comprehensive income/(loss)	**6,073**	(3,332)
Closing net assets as at 31 March	**491,659**	486,797
Carrying amount of the Group's investment in an associate	**99,806**	98,820

18 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments at 31 March 2022 and 2021:

	2022 HK$'000	2021 HK$'000
Financial assets		
Financial assets at amortised cost:		
Trade and other receivables	34,617	21,586
Amounts due from joint operations	12,924	14,882
Pledged bank deposits	–	5,206
Cash and cash equivalents	153,264	107,102
Financial assets at FVTPL	5,162	5,650
	205,967	154,426
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	71,648	34,582
Amounts due to other partners of joint operations	11,070	13,864
Bank borrowings	4,118	1,634
Lease liabilities	15,671	2,005
	102,507	52,085

19 INVENTORIES

	2022 HK$'000	2021 HK$'000
Materials for construction works	8,914	3,356

The cost of construction materials recognised as an expense during the year is HK$26,886,000 (2021: HK$16,527,000) (Note 9).

20 CONTRACT ASSETS

	2022 HK$'000	2021 HK$'000
Current		
Unbilled revenue of civil engineering works (Note (a))		
— Ongoing project	**10,182**	–
— Completed project	**40,000**	33,594
Retention receivables of civil engineering works (Note (b))	**11,226**	8,926
	61,408	42,520
Retention receivables of civil engineering works		
Due within one year	**5,536**	2,536
Due after one year	**5,690**	6,390
	11,226	8,926

Notes:

(a) The Group applies practical expedients of HKFRS 15, and did not restate contracts that were completed before the adoption of HKFRS 15.

Unbilled revenue represents the Group's right to receive consideration for completed contract works but not yet billed because of the rights are conditional upon the satisfaction by the customers of work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to trade receivables when the rights become unconditional, which is at the time the Group obtained the certification of the completed construction work from the customers.

This unbilled revenue recognised before the adoption of HKFRS 15 is classified as contract asset. Management considered it is probable that the customer will approve the respective variations with reference to the opinion of its legal advisor.

(b) Retention receivables included in contract assets represents the Group's right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to 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 work performed by the Group.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

The carrying amounts of contract assets approximated their fair values and were denominated in HK$.

21 TRADE AND OTHER RECEIVABLES

	2022 HK$'000	2021 HK$'000
Trade receivables (Note (a))	**25,990**	15,505
Current		
Other receivables, deposits and prepayments:		
— Deposits (Note (b))	**8,420**	4,833
— Other receivables	**207**	1,248
— Prepaid expenses	**4,899**	3,823
	13,526	9,904
Non-current		
— Prepayment for property, plant and equipment	**1,447**	–
	40,963	25,409

Notes:

(a) Trade debtors are normally due within 30–60 days from customers' certification date.

The ageing analysis of the Group's trade receivables based on customers' certification date at the end of each reporting period is as follows:

	2022 HK$'000	2021 HK$'000
0–30 days	**25,108**	14,945
31–60 days	**247**	418
Over 60 days	**635**	142
	25,990	15,505

As at 31 March 2022, the Group's trade receivables of HK$635,000 (2021: HK$142,000) were past due but not impaired.

For these past due trade receivables, the Group has assessed the expected credit losses by considering historical default rates, existing market conditions and forward-looking information. Based on the assessment, ECL rate of trade receivables is close to zero. Therefore, the loss allowance provision for these trade receivables balances was not material.

(b) As at 31 March 2022, deposits mainly include (i) a deposit of HK$3,323,000 (2021: HK$3,348,000) which has been placed and pledged to an insurance institution to secure performance bonds issued by that institution to a customer of the Group (Note 34); and (ii) a rental deposit of HK$238,000 (2021: HK$238,000) paid to C & P (Holdings) Hong Kong Limited, which is a related company of the Group (Note 35). The remaining amounts mainly represent deposits paid to sub-contractors and suppliers and other utilities and rental deposits.

The carrying amounts of trade receivables, other receivables and deposits approximated their fair values and were denominated in HK$.

22 BALANCES WITH JOINT OPERATIONS AND OTHER PARTNERS OF JOINT OPERATIONS

(i) Amounts due from joint operations

	2022 HK$'000	2021 HK$'000
Trade related (Note (a))	**994**	788
Non-trade related (Note (b))	**11,930**	14,094
	12,924	14,882

Notes:

(a) The Group allows credit period of up 60 days on trade-related amounts due from joint operations. The ageing analysis of the Group's trade-related amounts due from joint operations based on invoice date at the end of each reporting period is as follows:

	2022 HK$'000	2021 HK$'000
0–30 days	**994**	489
31–60 days	**–**	243
61–90 days	**–**	56
	994	788

As at 31 March 2021, the Group's amounts due from joint operations of HK$56,000 were past due but not impaired.

(b) The amounts are unsecured, interest-free and repayable on demand.

The amounts due from joint operations were ultimately borne by other partners of joint operations. The carrying amounts of these amounts approximated their fair values and were denominated in HK$.

(ii) Amounts due to other partners of joint operations

	2022 HK$'000	2021 HK$'000
Trade related (Note (a))	**8,507**	10,198
Non-trade related (Note (b))	**2,563**	3,666
	11,070	13,864

Notes:

(a) The credit period on trade-related amounts due to other partners of joint operations is up to 60 days. The ageing analysis of the Group's trade-related amounts due to other partners of joint operations based on invoice date at the end of each reporting period is as follows:

	2022 HK$'000	2021 HK$'000
0–30 days	**3,385**	3,420
31–60 days	**–**	2,121
61–90 days	**46**	53
Over 90 days	**5,076**	4,604
	8,507	10,198

(b) The amounts are unsecured, interest-free and repayable on demand.

The carrying amounts of amounts due to other partners of joint operations approximated their fair values and were denominated in HK$.

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 **HK$'000**	2021 HK$'000
Equity securities listed in Hong Kong (Note (a))	**1,462**	1,374
Global funds — unlisted (Note (b))	**3,700**	4,276
	5,162	5,650

Notes:

(a) The fair values of the listed equity securities were determined based on the quoted bid prices in an active market.

(b) The fair values of unlisted investment funds were determined by the fund administrator with reference to the net asset value of the investment funds.

The financial assets at FVTPL were denominated in the following currencies:

	2022 **HK$'000**	2021 HK$'000
HK$	**1,462**	1,374
USD	**1,754**	1,888
GBP	**1,946**	2,388
	5,162	5,650

24 CASH AND CASH EQUIVALENTS

	2022 HK$'000	2021 HK$'000
Cash at banks	**153,255**	112,300
Cash on hand	**9**	8
Less: pledged bank deposits	**–**	(5,206)
	153,264	107,102
Maximum exposure to credit risk	**153,255**	112,300

As at 31 March 2021, bank deposits amounted to approximately HK$5,206,000 were pledged for securing the performance bond issued by the bank to a customer on one of the construction project on behalf of the Group as a guarantee (Note 34).

The carrying amounts of cash and cash equivalents and pledged bank deposits were denominated in the following currencies:

	2022 HK$'000	2021 HK$'000
HK$	**144,726**	95,920
USD	**8,445**	16,309
GBP	**93**	79
	153,264	112,308

25 SHARE CAPITAL

	Number of ordinary shares (thousand)	Amount HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2020, 31 March 2021, 1 April 2021 and 31 March 2022	200,000,000	2,000,000
Issued and fully paid:		
At 1 April 2020, 31 March 2021, 1 April 2021 and 31 March 2022	419,818	4,198

26 CONTRACT LIABILITIES

	2022 HK$'000	2021 HK$'000
Advances from customers of civil engineering works	**22,092**	7,398

The Group classifies these contract liabilities as current because the Group expects to recognise these balances as revenue in its normal operating cycle.

Revenue recognition in relation to contract liabilities

The following table shows how much of the revenue recognised during the years ended 31 March 2022 and 2021 relates to carried-forward contract liabilities.

	2022 HK$'000	2021 HK$'000
Revenue recognised that was included in the contract liability balance at the beginning of the period	**7,398**	636

The carrying amounts of contract liabilities were denominated in HK$.

27 TRADE AND OTHER PAYABLES

	2022 HK$'000	2021 HK$'000
Trade payables	**38,594**	13,029
Retention payables	**23,137**	16,517
Other payables and accruals:		
— Accrued wages and other staff benefits	**7,116**	1,766
— Accrued operating expenses	**152**	116
— Other payables	**9,765**	4,920
	78,764	36,348

The credit period on trade purchases is 30 to 60 days.

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

	2022 HK$'000	2021 HK$'000
0–30 days	**30,811**	6,891
31–60 days	**7,438**	4,751
61–90 days	**55**	492
Over 90 days	**290**	895
	38,594	13,029

27 TRADE AND OTHER PAYABLES *(Continued)*

In the consolidated statement of financial position, retention payables were classified as current liabilities. The ageing analysis of the retention payables based on invoice date is as follows:

	2022 **HK$'000**	2021 HK$'000
Due within one year	**6,338**	2,792
Due after one year	**16,799**	13,725
	23,137	16,517

The carrying amounts of trade and other payables approximated their fair values and were denominated in HK$.

28 BANK BORROWINGS

	2022 **HK$'000**	2021 HK$'000
Current		
Bank borrowings which contain a repayment on demand clause	**4,118**	1,634

As at 31 March 2022, the bank borrowings were carried at a weighted average rate of 2.0% per annum (2021: 1.9% per annum).

As at 31 March 2022 and 2021, the carrying amounts of borrowings approximated their fair values and were denominated in HK$.

Borrowings due for repayment after one year which contain repayment on demand clause were classified as current liabilities.

Based on the scheduled repayment terms set out in the loan agreements and ignoring the effect of any repayment on demand clause, the maturity of borrowings would be as follows:

	2022 **HK$'000**	2021 HK$'000
Within one year	**1,814**	1,507
Between 1 and 2 years	**1,722**	127
Between 2 and 5 years	**582**	–
	4,118	1,634

As at 31 March 2022, the Group's total undrawn banking facilities amounted to approximately HK$20,660,000 (2021: HK$20,660,000).

As at 31 March 2022 and 2021, banking facilities granted to the Group were secured by corporate guarantees provided by the Company and certain subsidiaries.

One of the Group's banking facilities were subject to fulfillment of covenants relating to the Group's financial ratio, which is commonly found in borrowing arrangement with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 March 2022 and 2021, the Group was in compliance with the covenants relating to drawn down facility.

29 DEFERRED TAX LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balance for financial reporting purposes:

	2022 **HK$'000**	2021 HK$'000
Deferred tax liabilities	**1,672**	–

	Accelerated tax depreciation HK$'000	**Tax losses** HK$'000	**Total** HK$'000
At 1 April 2020	1,003	(1,003)	–
(Credit)/debit to profit or loss	(293)	293	–
At 31 March 2021	710	(710)	–
Debit to profit or loss	1,079	593	1,672
At 31 March 2022	1,789	(117)	1,672

At the end of the reporting period, the Group has unutilised estimated tax losses of HK$21,397,000 (2021: HK$29,790,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK$709,000 (2021: HK$4,303,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK$20,688,000 (2021: HK$25,487,000) due to the unpredictability of future profit streams. Tax losses of Hong Kong subsidiaries may be carried forward indefinitely. Certain amounts of unused tax losses are subject to approval from the Hong Kong Inland Revenue Department.

30 SHARE-BASED PAYMENT TRANSACTIONS

The Group adopted a share option scheme on 3 June 2015 ("Share Option Scheme"). The purpose of Share Option Scheme is to provide any directors and full-time employees of any members of the Group, who have contributed or will contribute to the Group ("Participants"), with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its shares for the benefit the Company with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Participants.

Pursuant to the Share Option Scheme, the directors of the Company may invite Participants to take up options at a price determined by the Board of Directors provided that it shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which an offer is made by the Company to the grantee (which date must be a business day, "Offer Date"); (b) a price being the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the Offer Date; and (c) the nominal value of a share of the Company.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 41,500,000 shares, representing 10% of the total number of shares in issue as at grant date unless the Company obtains a fresh approval from the shareholders to refresh the limit.

The maximum entitlement for any one Participant is that the total number of the shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue unless otherwise approved by the shareholders at a general meeting of the Company.

The option may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period which would be determined and notified by the Board of Directors to the grantee at the time of making an offer.

No options have been granted ever since the adoption of the Share Option Scheme.

31 DIVIDEND

In the current period, a final dividend of HK$12,595,000 in relation to the year ended 31 March 2021 was declared and paid.

The Board of Directors recommended a final dividend of HK3.5 cents per ordinary share (totaling HK$14,694,000) for the year ended 31 March 2022. This proposed dividend is not reflected as dividend payable in the financial statements.

32 CASH FLOW INFORMATION

(a) Reconciliation of profit before income tax to cash used in operations

	2022 HK$'000	2021 HK$'000
Operating activities		
Profit before tax	**41,045**	17,466
Adjustments for:		
Depreciation of property, plant and equipment	**5,371**	5,407
Depreciation of right-of-use assets	**2,660**	1,408
Gain on disposal of property, plant and equipment	**(46)**	(4)
Write-off of property, plant and equipment	**29**	188
Fair value changes of financial assets at FVTPL, net	**488**	(74)
Dividend income from financial assets at FVTPL	**(313)**	–
Share of profit of an associate	**(14,756)**	(13,161)
Interest income	**(29)**	(126)
Finance costs	**221**	97
Operating gain before changes in working capital	**34,670**	11,201
(Increase)/decrease in inventories	**(5,558)**	1,121
(Increase)/decrease in trade and other receivables	**(14,107)**	16,027
(Increase)/decrease in contract assets	**(18,888)**	7,255
Increase in amounts due from joint operations	**(206)**	(442)
Increase in trade and other payables	**42,416**	188
Increase in contract liabilities	**14,694**	4,042
Decrease in amounts due to other partners of joint operations	**(1,691)**	(1,488)
Cash generated from operations	**51,330**	37,904

(b) In the consolidated statements of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2022 HK$'000	2021 HK$'000
Net book amount disposed	**8**	284
Gain on disposal of property, plant and equipment	**46**	4
Proceeds from disposal of property, plant and equipment	**54**	288

32 CASH FLOW INFORMATION *(Continued)*

(c) Reconciliation of liabilities arising from financing activities

	Bank borrowings HK$'000 (Note 28)	Lease liabilities HK$'000 (Note 16)	Amounts due to other partners of joint operations (non-trade) HK$'000 (Note 22(ii))	Total HK$'000
At 1 April 2020	3,805	604	2,736	7,145
Cash flows				
— Repayment of bank borrowings	(2,171)	–	–	(2,171)
— Repayment of interest element of lease liabilities	–	(35)	–	(35)
— Repayment of principal element of lease liabilities	–	(1,393)	–	(1,393)
— Advances from other partners of joint operations	–	–	930	930
Other non-cash movements				
— Addition of lease liabilities	–	2,794	–	2,794
— Interest expense on lease liabilities	–	35	–	35
At 31 March 2021	1,634	2,005	3,666	7,305
At 1 April 2021	1,634	2,005	3,666	7,305
Cash flows				
— Proceeds from bank borrowings	5,100	–	–	5,100
— Repayment of bank borrowings	(2,616)	–	–	(2,616)
— Repayment of interest element of lease liabilities	–	(146)	–	(146)
— Repayment of principal element of lease liabilities	–	(2,560)	–	(2,560)
— Repayments to other partners of joint operations	–	–	(2,730)	(2,730)
— Advance to other partners of joint operations	–	–	1,627	1,627
Other non-cash movements				
— Addition of lease liabilities	–	16,226	–	16,226
— Interest expense on lease liabilities	–	146	–	146
At 31 March 2022	4,118	15,671	2,563	22,352

33 COMMITMENTS

Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2022 HK$'000	2021 HK$'000
Property, plant & equipment	**948**	–

34 PERFORMANCE BONDS AND CONTINGENT LIABILITY

Certain customers of construction contracts undertaken by the Group require the group entities to issue guarantees for the performance of contract works in the form of performance bonds and secured either by other deposits or pledged bank deposits (Notes 21 and 24). The performance bonds are released when the construction contracts are completed or substantially completed.

At the end of each reporting period, the Group had outstanding performance bonds as follows:

	2022 **HK$'000**	2021 HK$'000
Issued by the Group's banks	**–**	5,206
Issued by an insurance institution	**3,323**	3,348
	3,323	8,554

35 RELATED PARTY TRANSACTIONS

(a) Transactions

Saved as disclosed elsewhere in the financial statements, the Group had the following transactions with related parties during the year:

Related party	**Nature of transaction**	**2022** **HK$'000**	2021 HK$'000
C & P (Holdings) Hong Kong Limited (Note (i))	Lease payments	**1,428**	1,428
River King	Management fee income	**420**	420

Note:

(i) C & P (Holdings) Hong Kong Limited is a related company in which a sibling of the executive director and the spouse of an executive director collectively own its entire interest.

In the opinion of the directors, these transactions were determined at mutually agreed prices and terms.

(b) Key management personnel compensation

Key management includes executive directors of the Company and other members of key management was as follows:

	2022 **HK$'000**	2021 HK$'000
Short term benefits	**15,913**	13,976
Post-employment benefits	**90**	76
	16,003	14,052

36 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

Statement of financial position

At 31 March 2022

	2022 HK$'000	2021 HK$'000
ASSETS		
Non-current asset		
Investments in subsidiaries	–*	–*
Current assets		
Amounts due from subsidiaries	9,146	12,741
Other debtors	125	116
Cash and cash equivalents	2,000	4,702
	11,271	17,559
Total assets	11,271	17,559
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	4,198	4,198
Share premium and reserves	1,607	(7,314)
Total equity/(deficit)	5,805	(3,116)
LIABILITIES		
Current liabilities		
Amounts due to subsidiaries	4,943	20,207
Other payables	523	468
Total liabilities	5,466	20,675
Total equity and liabilities	11,271	17,559

The statement of financial position of the Company was approved by the Board of Directors on 28 June 2022 and was signed on its behalf.

LO Yuen Cheong
Director

LO Yick Cheong
Director

* The balance was rounded to the nearest thousand.

36 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(Continued)

Movement in the Company's reserves

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2020	71,780	(74,622)	(2,842)
Loss for the year	–	(4,472)	(4,472)
At 31 March 2021	71,780	(79,094)	(7,314)
Profit for the year	–	21,516	21,516
Dividend paid	(12,595)	–	(12,595)
At 31 March 2022	59,185	(57,578)	1,607

37 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of each director is set out below:

	Fees HK$'000	Salaries, Allowances and benefits in kind HK$'000	Discretionary bonus HK$'000	Employer's Contribution to pension scheme HK$'000	Total HK$'000
For the year ended 31 March 2022					
Executive directors:					
Lo Yuen Cheong	–	4,906	146	–	5,052
Lo Yick Cheong	–	3,113	208	–	3,321
Non-executive director:					
Chan Wai Ying	–	544	196	18	758
Independent non-executive directors:					
Leung Wai Tat Henry	180	–	–	–	180
Lo Man Chi	180	–	–	–	180
Chau Wai Yung	180	–	–	–	180
	540	8,563	550	18	9,671

37 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' emoluments *(Continued)*

The remuneration of each director is set out below: (Continued)

	Fees HK$'000	Salaries, Allowances and benefits in kind HK$'000	Discretionary bonus HK$'000	Employer's contribution to pension scheme HK$'000	Total HK$'000
For the year ended 31 March 2021					
Executive directors:					
Lo Yuen Cheong	–	4,104	219	–	4,323
Lo Yick Cheong	–	2,965	312	5	3,282
Non-executive director:					
Chan Wai Ying	–	540	98	18	656
Independent non-executive directors:					
Leung Wai Tat Henry	180	–	–	–	180
Lo Man Chi	180	–	–	–	180
Chau Wai Yung	180	–	–	–	180
	540	7,609	629	23	8,801

(b) Directors' retirement benefits and termination benefits

None of the directors of the Company received or will receive any retirement benefits or termination benefits for the year ended 31 March 2022 (2021: Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 March 2022, the Company does not pay consideration to third parties for making available directors' service (2021: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entitles with such directors

As at 31 March 2022, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and controlled entities with such directors (2021: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years.

FINANCIAL SUMMARY

RESULTS

	2018 HK$'000	2019 HK$'000	2020 HK$'000	2021 HK$'000	**2022** **HK$'000**
Revenue	232,157	184,635	231,661	276,552	**408,200**
Operating profit/(loss)	9,137	(2,417)	(5,845)	4,402	**26,510**
Share of (loss)/profit of an associate	–	(207)	8,715	13,161	**14,756**
Finance costs	(27)	(81)	(198)	(97)	**(221)**
Profit/(loss) before tax	9,110	(2,705)	2,672	17,466	**41,045**
Income tax (expense)/credit	(2,103)	71	277	(1,722)	**(4,123)**
Profit/(loss) for the year	7,007	(2,634)	2,949	15,744	**36,922**
Other comprehensive (loss) income	–	–	–	(676)	**1,232**
Profit/(loss) and total comprehensive income/(loss) for the year attributable to owners of the Company	7,007	(2,634)	2,949	15,068	**38,154**
Earnings/(loss) per share Basic and diluted (in HK cents)	1.67	(0.63)	0.70	3.75	**8.79**

FINANCIAL POSITION

	2018 HK$'000	2019 HK$'000	2020 HK$'000	2021 HK$'000	**2022** **HK$'000**
Total assets	355,180	315,749	297,335	315,843	**415,888**
Total liabilities	74,258	80,202	58,839	62,279	**136,765**
Total equity	280,922	235,547	238,496	253,564	**279,123**