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SAM WOO CONSTRUCTION GROUP LIMITED

三和建築集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3822)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

The board (the “Board”) of directors (the “Directors”) of Sam Woo Construction Group Limited (the “Company”) presents the annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2021 (the “Year”/“2021”), together with the comparative figures for the corresponding year ended 31 March 2020 (the “Previous Year”/“2020”).

HIGHLIGHTS	2021	2020
Revenue	HK\$356 million	HK\$917 million
(Loss)/profit for the year	HK\$(34) million	HK\$73 million
Basic and diluted (loss)/earnings per share	(2.01) HK cents	4.35 HK cents
Net gearing	N/A	N/A
Current ratio	1.5x	1.7x
Total equity	HK\$631 million	HK\$698 million
Aggregate value of major contracts on hand	about HK\$448 million yet to complete	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Revenue from contracts with customers	3	356,211	916,831
Cost of sales	4	(360,264)	(790,165)
Gross (loss)/profit		(4,053)	126,666
Other loss, net		–	(535)
Other income		15,149	832
Administrative expenses	4	(47,945)	(43,147)
Operating (loss)/profit		(36,849)	83,816
Finance income	5	1,397	2,287
Finance costs	5	(1,386)	(2,424)
Finance income/(costs), net		11	(137)
(Loss)/profit before income tax		(36,838)	83,679
Income tax credit/(expense)	6	3,087	(10,661)
(Loss)/profit for the year		(33,751)	73,018
(Loss)/profit attributable to equity holders of the Company		(33,751)	73,018
(Loss)/profit for the year		(33,751)	73,018
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Fair value gains/(losses) on financial assets at fair value through other comprehensive income		410	(800)
Total comprehensive (loss)/income for the year		(33,341)	72,218
Total comprehensive (loss)/income attributable to equity holders of the Company		(33,341)	72,218
		2021 HK cents	2020 <i>HK cents</i>
Basic and diluted (loss)/earnings per share	7	(2.01)	4.35

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	<i>Note</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Assets			
Non-current assets			
Right-of-use assets		13,347	19,284
Plant and equipment		544,783	543,671
Deferred income tax assets		1,408	2,877
Financial assets at fair value through other comprehensive income		20,530	20,120
Deposits and prepayments		2,155	836
		<u>582,223</u>	<u>586,788</u>
Current assets			
Trade and retention receivables	9	152,749	236,663
Deposits, prepayments and other receivables		7,214	6,984
Contract assets		–	379
Income tax recoverable		70	2,090
Restricted bank balances		3,192	3,145
Cash and cash equivalents		187,921	207,321
		<u>351,146</u>	<u>456,582</u>
Total assets		<u>933,369</u>	<u>1,043,370</u>
Equity			
Share capital		4,200	4,200
Reserves		626,786	693,727
Total equity		<u>630,986</u>	<u>697,927</u>

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

	<i>Note</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Liabilities			
Non-current liabilities			
Borrowings		2,534	10,045
Deferred income tax liabilities		51,821	56,423
Lease liabilities		6,364	–
Amount due to a director		–	3,145
		<u>60,719</u>	<u>69,613</u>
Current liabilities			
Trade and retention payables	10	58,927	124,299
Accruals and other payables		18,395	24,655
Contract liabilities		–	11,366
Borrowings		103,977	109,437
Lease liabilities		7,104	4,364
Income tax payable		69	1,709
Amount due to a director		53,192	–
		<u>241,664</u>	<u>275,830</u>
Total liabilities		<u>302,383</u>	<u>345,443</u>
Total equity and liabilities		<u>933,369</u>	<u>1,043,370</u>

NOTES:

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in foundation works and ancillary services in Hong Kong and Macau.

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

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated and were approved for issue on 23 June 2021.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 requirements of Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements of the Group have been prepared under the historical cost convention, except for the financial assets at fair value through other comprehensive income which are stated at fair value.

The preparation of the consolidated 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.

2.2 Summary of significant accounting policies

(a) Amended standards and revised conceptual framework

The Group has applied the following amended standards and revised conceptual framework for the first time for their annual reporting period commencing 1 April 2020:

HKAS 1 and HKAS 8 (Amendments)	Definition of Material
HKFRS 3 (Amendments)	Definition of a Business
HKFRS 9, HKAS 39 and HKFRS 7 (Amendments)	Interest Rate Benchmark Reform – Phase 1
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

The amended standards and revised conceptual framework 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.

(b) *New and amended standards, revised accounting guideline, amended annual improvements and amended interpretation not yet adopted by the Group*

Certain new and amended standards, revised accounting guideline, amended annual improvements and amended interpretation have been published that are not mandatory for 31 March 2021 reporting periods and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKFRS 16 (Amendments)	COVID-19 Related Rent Concessions	1 June 2020
HKAS 39, HKFRS4, HKFRS 7, HKFRS 9 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Accounting Guideline 5 (Amendments)	Merger Accounting for Common Control Combinations	1 January 2022
Annual Improvements Projects	Annual Improvements 2018–2020 Cycle	1 January 2022
HKAS 16 (Amendments)	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
HKFRS 3 (Amendments)	Reference to the Conceptual Framework	1 January 2022
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 17 and HKFRS 17 (Amendments)	Insurance Contracts	1 January 2023
Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	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 is in the process of making an assessment of what the impact of these new and amended standards, revised accounting guideline, amended annual improvements and amended interpretation is expected to be in the period of initial application. The Group does not anticipate the adoption of them to have a significant impact on the Group's results of operations and financial position.

3 REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION

Revenue from contracts with customers, which is also the Group's turnover, represents gross contract receipts on foundation works and ancillary services in the ordinary course of business. Revenue recognised is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Foundation works and ancillary services	<u>356,211</u>	<u>916,831</u>

The chief operating decision-maker has been identified as the executive directors of the Company. The executive directors regard the Group's business as one single operating segment and reviews financial information accordingly.

Segment information

The Group's revenue is mainly derived from customers in Hong Kong. The principal assets of the Group were also located in Hong Kong as at 31 March 2021. Accordingly, no analysis by geographical segment is provided.

4 EXPENSES BY NATURE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Cost of sales		
Construction contracts costs (<i>Note (a)</i>)	319,892	756,249
Depreciation		
– owned plant and equipment	26,431	23,326
– right-of-use assets	108	454
Repair and maintenance	1,100	1,172
Others	<u>12,733</u>	<u>8,964</u>
	<u>360,264</u>	<u>790,165</u>
Administrative expenses		
Staff costs, including directors' emoluments (<i>Note (b)</i>)	19,370	14,965
Auditors' remuneration	1,613	1,682
Depreciation		
– owned plant and equipment	727	570
– right-of-use assets	7,023	6,893
Operating lease rental in respect of		
– office and storage premises	5,326	4,227
– directors' quarters	722	2,168
Professional fees	5,476	4,596
Motor vehicle expenses	2,894	2,896
Bank charges	298	472
Exchange losses/(gains)	267	(632)
Others	<u>4,229</u>	<u>5,310</u>
	<u>47,945</u>	<u>43,147</u>
Total cost of sales and administrative expenses	<u>408,209</u>	<u>833,312</u>

Notes:

(a) Construction contract costs included but are not limited to costs of construction materials, staff costs (refer to Note (b) below), consultancy fee, parts and consumables, subcontracting charges and transportation.

(b)

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Wages and salaries	149,406	142,046
Pension costs – defined contribution plans	4,422	4,266
Employment benefits	2,250	3,707
	<u>156,078</u>	<u>150,019</u>
Less: amount included in cost of sales	(136,708)	(135,054)
	<u>19,370</u>	<u>14,965</u>
5 FINANCE INCOME/(COSTS), NET		
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance income		
– Interest income on bank deposits	<u>1,397</u>	<u>2,287</u>
Finance costs		
– Interest expense on bank loans	(960)	(1,827)
– Interest expense on bank overdrafts	(36)	(20)
– Interest expense on lease liabilities	(343)	(507)
– Interest expense on amount due to a director	(47)	(70)
	<u>(1,386)</u>	<u>(2,424)</u>
Finance income/(costs), net	<u>11</u>	<u>(137)</u>

6 INCOME TAX (CREDIT)/EXPENSE

Hong Kong profits tax and Macau complementary tax have been provided at the rate of 16.5% and 12%, respectively, on the estimated assessable profit for the Year and the Previous Year.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong profits tax		
Current income tax	46	1,706
Deferred income tax	(3,133)	9,031
Macau complementary tax		
Over-provision of current income tax in prior year	—	(76)
	<u>(3,087)</u>	<u>10,661</u>

7 (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective years.

The weighted average number of ordinary shares used for such purpose has been retrospectively adjusted to reflect the share subdivision with effect from 23 December 2015.

	2021	2020
(Loss)/profit attributable to equity holders of the Company <i>(HK\$'000)</i>	(33,751)	73,018
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share <i>(thousands)</i>	<u>1,680,000</u>	<u>1,680,000</u>
Basic (loss)/earnings per share <i>(HK cents)</i>	<u>(2.01)</u>	<u>4.35</u>

(b) Diluted

Diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as there were no potential dilutive ordinary shares outstanding at the respective year ends.

8 DIVIDENDS

The directors do not recommend the payment of final dividend for the year ended 31 March 2021 (2020: HK\$0.02 per ordinary share, representing HK\$33,600,000 in total).

9 TRADE AND RETENTION RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	94,591	172,269
Retention receivables	<u>83,167</u>	<u>89,403</u>
Trade and retention receivables	177,758	261,672
Less: loss allowance	<u>(25,009)</u>	<u>(25,009)</u>
	<u><u>152,749</u></u>	<u><u>236,663</u></u>

The credit period granted to trade customers other than for retention receivables was generally ranged from 45 to 90 days. The terms and conditions in relation to the release of retention vary from contract to contract, which may be subject to practical completion, the expiry of the defect liability period or a pre-agreed time period. The Group does not hold any collateral as security.

The aging analysis of the trade receivables based on invoice date was as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
1 to 30 days	80,961	122,195
31 to 60 days	7,123	50,074
61 to 90 days	<u>6,507</u>	<u>–</u>
Total	<u><u>94,591</u></u>	<u><u>172,269</u></u>

The aging analysis of the retention receivables based on invoice date was as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 1 year	17,484	36,683
Between 1 and 5 years	38,371	42,586
More than 5 years	<u>27,312</u>	<u>10,134</u>
	<u><u>83,167</u></u>	<u><u>89,403</u></u>

10 TRADE AND RETENTION PAYABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables	46,581	102,976
Retention payables	12,346	21,323
	<hr/>	<hr/>
Total trade and retention payables	58,927	124,299
	<hr/> <hr/>	<hr/> <hr/>

The aging analysis of the trade payables based on invoice date was as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 to 30 days	17,596	93,074
31 to 60 days	8,292	8,962
61 to 90 days	3,030	–
91 to 180 days	1,661	–
181 to 365 days	15,151	16
More than 365 days	851	924
	<hr/>	<hr/>
	46,581	102,976
	<hr/> <hr/>	<hr/> <hr/>

The aging analysis of the retention payables based on invoice date was as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 1 year	1,006	7,516
Between 1 and 5 years	7,246	13,613
Over 5 years	4,094	194
	<hr/>	<hr/>
	12,346	21,323
	<hr/> <hr/>	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

The Board hereby presents the annual results of the Group for the year ended 31 March 2021 (the “Year”/“2021”), together with comparative figures from the previous year ended 31 March 2020 (the “Previous Year”/“2020”).

BUSINESS REVIEW AND OUTLOOK

Business Review

The COVID-19 has posed a threat to the global economy as well as to the Hong Kong construction industry. There was a sharp decrease in construction projects in Hong Kong amidst the economic downturn caused by the pandemic which slowed down funding of new projects in the last year. A number of planned tenders available for bidding were delayed. The unemployment and underemployment rate of the construction sector in 2020 was the worst since the post-global financial crisis in 2009, cited by industry unions.

The Group experienced a hard time especially in the first half of the Year due to the gap period partly attributable to the delay in the rolling out of construction projects in West Kowloon and Kai Tak districts. Situation in the second half of the Year improved as more construction projects had commenced works. However, the improvement in the second half is not enough to offset the losses in the first half of the Year.

Group Revenue and Gross Margin

The Group’s revenue for the Year decreased 61% to HK\$356 million (2020: HK\$917 million). Contract revenue for the Year dropped mainly because (a) the Hospital Expansion, Airport Logistic Centre and Tseung Kwan O Cross Bay Link construction projects were completed before or soon after the commencement of the first half of the Year; but (b) the construction works of new projects including West Kowloon Cultural District and Kai Tak Development District projects were scheduled in the second half of the Year.

The Group recorded a gross loss of HK\$4 million (2020: gross profit of HK\$127 million) and a net loss of HK\$34 million for the Year (2020: a net profit of HK\$73 million) because the Group’s revenue dropped while overhead costs such as equipment depreciation and labour costs did not decrease in proportion.

Major Projects

	As at 31 March 2021 Completion status	Expected Completion Date	Estimated Remaining Contract Value (HK\$) (Note)
West Kowloon Cultural District	58%	2021 Q3	57 million
Kai Tak Development District	96%	2021 Q1	4 million
Kwun Tong Commercial Building	15%	2022 Q1	137 million
East Kowloon Public Housing	N/A	2022 Q1	250 million

Note: The above remaining contract values were determined with reference to internal estimates based on currently available information, and may be subsequently revised.

West Kowloon Cultural District

This is a new project awarded in about July 2020, with contract value of approximately HK\$138 million. It is a subcontract for bored pile works for integrated basement and underground road of the West Kowloon Cultural District.

This project contributed to about 23% the Group's revenue for the Year.

Kai Tak Development District

Two new projects in Kai Tak Development District commenced in about mid-2020. The aggregate contract value of these two projects is about HK\$117 million. These projects consist of bored pile works for residential development.

The two projects contributed about 32% of the Group's revenue for the Year.

Kwun Tong Commercial Building

This is a new project awarded in about November 2020, with contract value of approximately HK\$161 million, for bored pile, excavation and lateral support and pile cap works of a proposed commercial building.

This project contributed to about 7% the Group's revenue for the Year.

East Kowloon Public Housing

This is a new project awarded subsequent to the end of Year in about April 2021, with contract value of approximately HK\$250 million, for bored pile and pile cap works of a public housing development.

There is no revenue contribution from this project for the Year.

Other projects

A few other projects contributed to about 38% of the Group's revenue for the Year.

BUSINESS OUTLOOK

The Group sees signs of recovery in the construction market especially in the public sector. As mentioned above, the Group has been recently awarded a new contract for the development of public housing in the East Kowloon district. Besides, more tenders are available as compared to the last year. The directors of the Company consider that the industry has already ran out of the bottom. The Group foresees a better utilisation of its machinery and labour in the latter half of the coming year when it obtains a few more new contracts.

Investment in a property holding company

In March 2017, the Group acquired 5% equity interest in a property holding company, Gold Champion Enterprises Limited ("Gold Champion"). The purpose is to provide a springboard for the Group to explore opportunities in property investment or property development. During the Year, Gold Champion has received enquiries from parties interested in the land development or interested to acquire the land parcel. Meanwhile, in view of the economic slowdown recently, Gold Champion sees it an appropriate time to study on the feasibility of a development plan. Accordingly, Gold Champion will keep it open to any development proposal that is viable in view of the persistent demands in the property market of Hong Kong.

FINANCIAL REVIEW AND ANALYSIS

The Group recorded a net loss of HK\$34 million for the Year (2020: net profit of HK\$73 million). The net loss for the Year arose mainly because of the drop in revenue and the gross loss as discussed in the section above. In addition, the administrative expenses were relative fixed in nature. Therefore, the overhead costs of the Group did not reduce in the same proportion of the drop in revenue.

The Group's financial position remains healthy, with current ratio at 1.5 times (2020: 1.7 times) and total cash and bank balance amounted to approximately HK\$191 million (2020: HK\$210 million). Net borrowings were zero (2020: zero), with the Group in a net cash position as at 31 March 2021.

Administrative Expenses

Administrative expenses increased by 11% from HK\$43 million in the Previous Year to HK\$48 million for the Year. It was mainly because of the increase in the staff costs.

Finance Income/Cost

The Group recorded a net finance income of about HK\$0.01 million for the Year (2020: net finance cost of about HK\$0.1 million) mainly attributable to the net cash position of the Group. Both of finance income and finance cost decreased during the Year mainly because the average cash balance and the borrowings decreased after certain major projects were completed in the first half of the Year. Besides, the bank interest rate had been lowered during the Year.

Capital Expenditures and Capital Commitments

The Group generally finances its capital expenditures by internal resources, long-term bank loans and leases. During the Year, the Group invested approximately HK\$12 million in machinery and equipment (2020: HK\$21 million). As at 31 March 2021, the Group's capital commitments relating to purchase of machinery and equipment was nil (2020: nil). During the Year, save as disclosed herein, the Group did not make any material acquisitions or disposals of assets.

As at 31 March 2021, the Group had plant and equipment of carrying amounts over HK\$545 million in total, which consisted of an extensive range of machinery and equipment for foundation construction works. This fleet of plant and equipment enables the Group to undertake both public and private sector projects in order to generate revenue and profit for the Group. The management considers that the fair value less costs of disposal and value in use of these assets are higher than their carrying amounts and therefore no impairment provision is necessary.

Liquidity, Financial Resources and Gearing

Liquidity

The Group generally meets its working capital requirements by cash flows generated from its operations and short-term borrowings. During the Year, the Group had a net cash outflow of approximately HK\$3 million used in operating activities (2020: net cash inflow of HK\$13 million). Together with short-term bank loans and overdraft facilities available, the Group's daily operations had been financially sound throughout the Year.

As at 31 March 2021, the Group's net current assets were approximately HK\$109 million (2020: HK\$181 million) and current ratio (current assets divided by current liabilities) was 1.5 times (2020: 1.7 times).

Cash and Bank Balances

As at 31 March 2021, the Group had total cash and bank balances amounted to approximately HK\$191 million (2020: HK\$210 million) mainly denominated in Hong Kong dollars. Cash and bank balances decreased mainly because of repayment of bank borrowings in the Year and the payment of HK\$34 million final dividend relating to the year ended 31 March 2020.

Borrowings

As at 31 March 2021, the Group had total borrowings of approximately HK\$107 million (2020: HK\$119 million) denominated in Hong Kong dollars. Borrowings generally include short-term, long-term bank loans and overdrafts bearing floating interest rates. Of the total borrowings, approximately HK\$97 million (2020: HK\$101 million) were for short-term bank loans and bank overdrafts and approximately HK\$7 million (2020: HK\$9 million) were for the current portion of long-term bank loans with maturity dates within 12 months.

Gearing Ratio and Total Equity

As at 31 March 2021, the Group did not have net gearing (net borrowings divided by total equity), instead, it had a net cash position (2020: same). For the purpose of calculating the Group's net gearing ratio, net borrowings refer to the total borrowings less cash and cash equivalents and restricted bank balances.

The Group's total equity as at 31 March 2021 was approximately HK\$631 million (2020: HK\$698 million).

Foreign Exchange Exposure

Operations of the Group are mainly conducted in Hong Kong dollars. The Group's revenue, expenses, cash and bank balances, borrowings, other monetary assets and liabilities are principally denominated in Hong Kong dollars. During the Year, other than the purchases paid in Euros and Singapore dollars, the Group was not exposed to any significant foreign currency risk and had not employed any financial instrument for hedging.

Contingent Liabilities

As at 31 March 2021, save for guarantees of performance bonds relating to three foundation works and ancillary services projects of the Group of approximately HK\$50 million, HK\$18 million and HK\$7 million (2020: HK\$50 million, HK\$18 million and HK\$17 million), the Group did not have any material contingent liabilities. The performance bonds are expected to be released in accordance with the terms of the respective construction contracts.

Pledge of Assets

As at 31 March 2021, the net book amount of right-of-use assets of nil (2020: HK\$16 million) and plant and equipment approximately HK\$35 million (2020: 52 million) was pledged for lease liabilities and long-term bank loans, respectively. None of the banking facilities of the Group were secured by the Group's bank deposits (2020: none).

OTHER INFORMATION

Human Resources

As at 31 March 2021, the Group had approximately 285 (2020: 331) employees. The remuneration package includes salary, discretionary bonuses and allowances. In general, the Group determines employee salaries based on the individual's qualifications, position and performance (where applicable).

Purchase, Sale or Redemption of Listed Securities

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

Corporate Governance

The Company had complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the Year.

Model Code of Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules upon Listing. The Company has made specific enquiry with the Directors and all Directors have confirmed that they complied with the required standards as set out in the Model Code throughout the Year.

Review of Annual Results

The Audit Committee of the Company has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements of the Group for the financial year 31 March 2021.

Scope of work of PricewaterhouseCoopers

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

Annual General Meeting and Closure of Register of Members

The forthcoming annual general meeting of the Company will be held on Tuesday, 7 September 2021. In order to establish entitlements to attend and voting at the forthcoming annual general meeting of the Company, the register of members of the Company will be closed from Thursday, 2 September 2021 to Tuesday, 7 September 2021, both days inclusive, during which period no transfer of share of the Company will be registered. All transfers of shares of the Company accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 1 September 2021.

Publication of Results Announcement and Annual Report

This announcement is published on the website of the Stock Exchange at www.hkex.com.hk and at the website of the Company at www.samwoo-group.com. The annual report will be despatched to the shareholders of the Company and available on the above websites in due course.

On behalf of the Board of
Sam Woo Construction Group Limited
Lau Chun Ming
Chairman

Hong Kong, 23 June 2021

As at the date of this announcement, the executive directors are Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka and Ms. Leung Lai So; and the independent non-executive directors are Professor Wong Sue Cheun, Roderick, Mr. Chu Tak Sum and Mr. Ip Tin Chee, Arnold.