

SAM WOO CONSTRUCTION GROUP LIMITED

三和建築集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

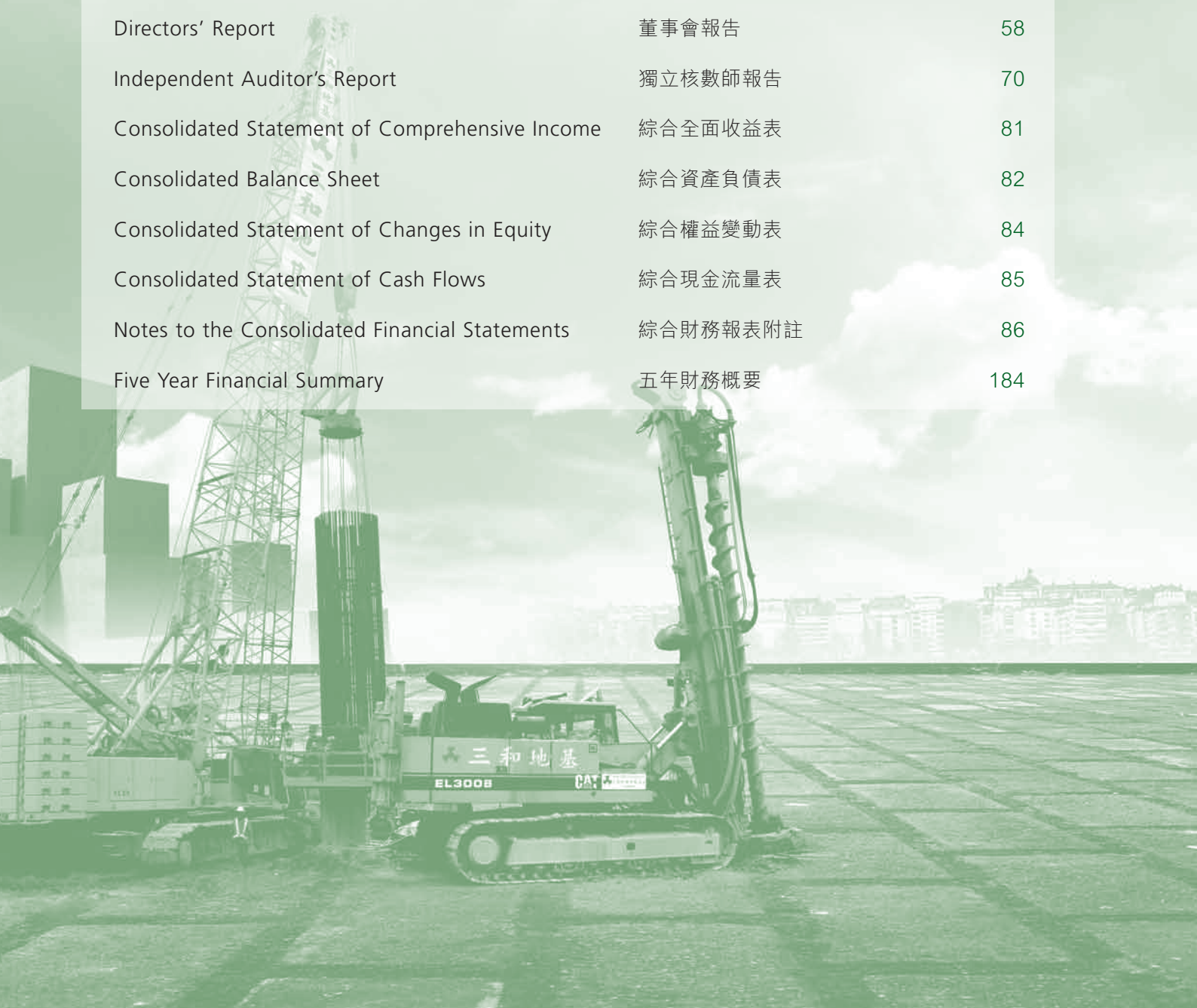
(Stock code 股份代號 : 3822)

Annual Report **2018** 年報



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Lau Chun Ming (*Chairman*)
Mr. Lau Chun Kwok (*Chief Executive Officer*)
Mr. Lau Chun Ka
Ms. Leung Lai So

Independent Non-executive Directors

Professor Wong Sue Cheun, Roderick
Mr. Chu Tak Sum
Mr. Ip Tin Chee, Arnold

AUDIT COMMITTEE

Mr. Ip Tin Chee, Arnold (*Chairman*)
Professor Wong Sue Cheun, Roderick
Mr. Chu Tak Sum

NOMINATION COMMITTEE

Professor Wong Sue Cheun, Roderick (*Chairman*)
Mr. Chu Tak Sum
Mr. Ip Tin Chee, Arnold
Mr. Lau Chun Ming

REMUNERATION COMMITTEE

Mr. Chu Tak Sum (*Chairman*)
Professor Wong Sue Cheun, Roderick
Mr. Ip Tin Chee, Arnold
Mr. Lau Chun Ming

COMPANY SECRETARY

Mr. Chan Sun Kwong

AUTHORISED REPRESENTATIVES

Mr. Lau Chun Ming
Mr. Chan Sun Kwong

REGISTERED OFFICE

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

董事會

執行董事

劉振明先生 (*主席*)
劉振國先生 (*行政總裁*)
劉振家先生
梁麗蘇女士

獨立非執行董事

王世全教授
朱德森先生
葉天賜先生

審核委員會

葉天賜先生 (*主席*)
王世全教授
朱德森先生

提名委員會

王世全教授 (*主席*)
朱德森先生
葉天賜先生
劉振明先生

薪酬委員會

朱德森先生 (*主席*)
王世全教授
葉天賜先生
劉振明先生

公司秘書

陳晨光先生

授權代表

劉振明先生
陳晨光先生

註冊辦事處

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

Corporate Information

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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92 Granville Road
Tsim Sha Tsui East
Kowloon
Hong Kong
Tel : (852) 2332-0783
Fax : (852) 2385-0793
Website : www.samwoo-group.com

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

AUDITOR

PricewaterhouseCoopers

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking
Corporation Limited
Bank of China (Hong Kong) Limited
The Bank of East Asia, Limited
DBS Bank (Hong Kong) Limited
Chong Hing Bank Limited

STOCK CODE

3822

香港總部及主要營業地點

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九龍
尖沙咀東部
加連威老道92號
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股份過戶登記總處

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
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香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

核數師

羅兵咸永道會計師事務所

主要往來銀行

香港上海滙豐銀行有限公司
中國銀行(香港)有限公司
東亞銀行有限公司
星展銀行(香港)有限公司
創興銀行有限公司

股份代號

3822

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board of directors (the "Board"), I am pleased to present the annual report of Sam Woo Construction Group Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 March 2018.

The Group has completed the Liantang/Heung Yuen Wai Boundary Control Point project during the year, while the Hospital Expansion project has proceeded on schedule and is expected to be completed in 2019. The business environment of the construction industry has been very challenging during the year. The construction market has been hard-hit by the prolonged debates in the Legislative Council during the year, leading to a large logjam in funding approval for public works. This has resulted in a substantial drop in the number of open tenders in the market, and, in turn, intense competition and suppressed contract prices.

Amidst the keen competition, the Group has recently secured a new major contract for the Tseung Kwan O Interchange. This is actually a subcontract for bored pile works which form a part of the Tseung Kwan O - Lam Tin Tunnel and is valued at about HK\$170 million. The project has commenced in mid-2018 and is expected to be completed by the end of 2019. While this project maintains the Group's momentum, we expect that there will still be some time before the market recovers. We will need at least one or two more profitable major new projects in order to optimise our utilisation of equipment and labour.

Although the public works funding approved by lawmakers has increased compared with last year, major infrastructure projects are still awaiting approval. The Legislative Council ("Legco") has spent considerable time on arguing issues in relation to the high-speed rail link project. As such, other development projects that need to go through the Legislature have to be deferred till after Legco's summer break. It is thus going to take longer before the construction market in the depth of the valley can rebound. Therefore, we anticipate an even tougher year to come.

各位股東：

本人謹此代表董事會（「董事會」）欣然提呈三和建築集團有限公司（「本公司」）連同其附屬公司（「本集團」）截至2018年3月31日止年度的年報。

本集團於本年度完成蓮塘／香園圍口岸項目，而醫院擴建項目施工正如期進行，預計將於2019年完工。本年度建築業的經營環境充滿挑戰，立法會耗用長時間進行議案辯論，以致大批公共工程撥款仍待審批，建築市場大受影響。由於在市場招標的合同數目大量減少，競爭更趨激烈，多項招標的合同價格受壓。

儘管建築市場競爭激烈，本集團仍最近贏得將軍澳交匯處此項新主要合同。此乃將軍澳－藍田隧道其中一部分的鑽孔樁分包工程，造價約1.7億港元。項目已於2018年中動工，預期於2019年底之前完成。該項目有助繼續推動本集團發展，惟我們預期距離市況好轉仍有一段時間。而我們將需要最少多一或兩項有利可圖的主要新項目，方能善用集團的設備及勞動力。

即使獲立法會通過的公共工程撥款較去年增加，主要基建項目仍有待審議。由於立法會耗費大量時間在高鐵項目的爭議，因此其他等待提交立法會的發展項目會相應延至暑假休會後，故建築市場距離步出谷底並好轉的時間難免被進一步拖長，因此我們預料明年的市況將會更為艱難。

Chairman's Statement

主席報告

Despite the decrease in turnover and profit during the year relative to the previous year, the Group has nonetheless maintained a sound financial position with a net cash position at the end of the year. Although the timing for a full recovery of the construction market remains uncertain, the Directors have strategically decided to keep the current team structure and resources in place so as to capture every opportunity for bidding for major projects when those tenders roll out.

With the government attaching great importance to the Hong Kong 2030+ Development Strategy, the Directors view it as a guideline for fulfilling the great demand for housing and infrastructure in the medium and long term, reinforcing the sustainable social and economic development of Hong Kong. The appointment of the Task Force on Land Supply by the Chief Executive of Hong Kong was a step in the right direction. The public consultation has also elicited more ideas from the professional fields in developing land resources. We understand that the public debate is not a magic solution. Yet we hope that after voices are heard, it at least speeds up expediting the existing development plans for projects mentioned in the Policy Address, such as the East Lantau Metropolis, Energizing Kowloon East and Hung Shui Kiu Development.

In March 2017, we acquired 5% equity interest in a property holding company at a total consideration of approximately HK\$20 million. During the year, the fair value of this investment appreciated which was attributable to the increase in land valuation. The purpose of the acquisition is to provide a springboard for the Group to explore new opportunities in property investment or property development. Through its best efforts, the Group also expects to participate in land development project, bringing to them its wealth of expertise, skills and experience in construction. As that investment is still at the preliminary stage, there is no funding pressure on the Group in the near term.

雖然年內營業額和盈利均較去年減少，但本集團的財政維持穩健，並於年末錄得淨現金狀況。雖然無法肯定建築市場何時全面復甦，但董事已有策略地決定維持現有團隊架構及資源，等待重大項目招標時抓緊每個機會。

香港政府極為重視《香港2030+》發展策略，董事視此為當局致力滿足社會在中長期對房屋及基建龐大需求的指引，並將有助香港社會及經濟的可持續發展。香港特首成立土地供應專責小組正是向正確方向邁進的一步，而公眾諮詢亦吸引到不同專業界別對土地資源發展各抒己見，拋出不同方案。我們明白，並非經過公眾討論便可在一夜之間水到渠成，但期望政府聽取各界意見後，可以加快推動施政報告提及的現有發展計劃，例如東大嶼都會、起點九龍東及洪水橋新發展區。

本集團於2017年3月完成收購一物業控股公司的5%權益，總投資額約2,000萬港元。由於本年度土地估值上升，是項投資的公平值亦隨之上升。是項投資為本集團帶來物業投資或物業發展的新機遇。本集團亦期望憑藉在建造業的專業知識、技術及經驗，盡全力參與有關土地發展。該項投資現仍處於初期階段，短期內不會對本集團造成資金壓力。

Chairman's Statement

主席報告

Looking ahead, the Board remains prudently optimistic about the prospects of the construction market. We are confident that the Group, as one of the most dependable contractors in the foundation segment with an extensive range of specialised machinery and equipment, an experienced management team and decades of valuable project experience, will secure more projects and participate instrumentally in landmark projects during the coming years.

I would like to take this opportunity to express my respect for and appreciation to my fellow Board members, the management team, all staff members, suppliers, subcontractors and other business partners and, most importantly, our shareholders and customers for their support.

Mr. Lau Chun Ming

Chairman
Hong Kong

26 June 2018

展望未來，董事會仍對建築市場的長遠前景保持審慎樂觀。本集團作為地基行業信譽良好的承建商之一，備有全面的專業機械設備、經驗豐富的管理團隊及逾數十年參與工程項目的彪炳業績，有信心能夠於未來幾年獲得更多具標誌性的工程。

本人謹藉此機會向董事會成員、管理團隊、員工、供應商、分包商、其他業務合作夥伴，以及最重要的股東和客戶的支持致以衷心謝意。

主席

劉振明先生
香港

2018年6月26日

Management Discussion and Analysis

管理層討論與分析

The Board is pleased to present the annual results of the Group for the year ended 31 March 2018 (the “Year”/“2018”), together with comparative figures from the previous year ended 31 March 2017 (the “Previous Year”/“2017”).

BUSINESS REVIEW AND OUTLOOK

Group Revenue and Profit

The Group’s revenue for the Year was HK\$518 million, representing a decrease of 37% as compared with the Previous Year (2017: HK\$818 million).

The Group saw a decline in revenue overall after the completion of the major project – Liantang/Heung Yuen Wai Boundary Control Point project – around mid-2017. For the current year, the major revenue and profit contributor of the Group was the Hospital Expansion project. The Group undertook a few new projects during the Year, however, the contract sums were not significant. Regarding tenders available, there were few during the Year, and the backlog of public works and infrastructure projects pending funding approval continued to build up as a result of filibusters in the Legislative Council in Hong Kong.

The gross profit and gross margin of the Group for the Year was HK\$44 million and 8% respectively (2017: HK\$145 million and 18% respectively). The decreases were mainly due to the relatively lower margin of the Hospital Expansion project derived from subcontracting of non-bored piling works and also overhead costs such as equipment depreciation and labour costs which did not decrease proportionately to the reduced size of ongoing projects.

董事會欣然呈報本集團截至2018年3月31日止年度（「本年度」／「2018年」）的年度業績，連同截至2017年3月31日止上年度（「去年」／「2017年」）的比較數據。

業務回顧及展望

集團收入及溢利

於本年度，本集團的收入為518,000,000港元，較去年（2017年：818,000,000港元）減少37%。

自主要項目蓮塘／香園圍口岸項目約於2017年中完工後，本集團整體收入減少。本年度，醫院擴建項目為本集團主要收入及溢利來源。本集團於本年度雖然承接了少量新項目，惟合同金額不高。由於立法會拉布導致本港公共基礎建設工程項目撥款持續積壓待批，本年度可投標項目寥寥可數。

於本年度，本集團的毛利及利潤率分別為44,000,000港元及8%（2017年：145,000,000港元及18%），利潤下降主要由於將醫院擴建項目非鑽孔樁工程外判的利潤率相對較低，以及設備折舊及員工成本等間接成本並不會因應施工中項目的規模縮小而按比例減低。

Management Discussion and Analysis

管理層討論與分析

The Group's net profit for the Year was HK\$6 million, representing a decrease of 93% (2017: HK\$79 million). Net profit margin was 1% (2017: 10%). The decrease was mainly from the drop in contract revenue and profit margin as discussed above, while administrative expenses did not come down. With the Directors decided to maintain the team structure and resources for capturing opportunities to bid for major projects in their advent, overheads and administrative expenses for the Year remained largely the same as before.

Major Projects

	As at 31 March 2018 Completion status 於2018年3月31日 完成的狀況	Expected Completion Date 預期完成日期	Estimated Remaining Contract Value 預計餘下合約金額 (HK\$) (港元)
Hospital Expansion 醫院擴建項目	68%	2019 Q3 2019年第3季	460 million 4.6億
Proposed Commercial/Residential Development in Wong Tai Sin District 黃大仙區商住發展項目	75%	2019 Q2 2019年第2季	35 million 3,500萬
Tseung Kwan O Interchange 將軍澳交匯處	Not yet commenced 未動工	2019 Q4 2019年第4季	170 million 1.7億

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

Hospital Expansion

In July 2015, the Group won the main contract for foundation and associated works in relation to the expansion of United Christian Hospital from the Hospital Authority. The contract is HK\$1,780 million worth, and less all contingent and/or provisional sums, the actual revenue is estimated at approximately HK\$1,400 million.

於本年度，本集團的純利為6,000,000港元，減幅為93%（2017年：79,000,000港元）。淨利潤率為1%（2017年：10%）。減少主要是由於上文所討論合約收入及利潤率減少所致，而行政開支並無減少。董事決定維持團隊架構及資源，等待主要項目招標時抓緊機會。因此，本年度間接成本及行政開支維持與過往大致相同。

主要項目

附註：以上餘下合約金額乃參照目前資訊所作出的內部估計，稍後有可能更改。

醫院擴建項目

本集團在2015年7月獲得醫院管理局授予聯合醫院擴建的地基工程及相關服務的主合約。本合約價值17.8億港元，而在扣除或然及／或暫定款項後，實際收入估計約為14億港元。

Management Discussion and Analysis

管理層討論與分析

More than half of the project value is for demolition of existing buildings, site formation and road reconstruction to prepare the site for expansion of the hospital. Foundation piling works account for the remaining contract value.

This project contributed revenue that made up about 81% of the Group's total revenue for the Year. Bore piling works were carried out during the Year and the remaining works to take place the following year were mainly subcontracted.

As at 31 March 2018, around 68% of the project was completed and the four-year-project is expected to conclude in the third quarter of 2019.

Proposed Commercial/Residential Development in Wong Tai Sin District

This project involving installation of lateral support works was awarded to the Group in April 2015. The total contract value is about HK\$320 million (including contingent payment and/or provisional sum), with the first phase worth HK\$140 million.

The project contributed revenue amounting to about 8% of the Group's total revenue for the Year.

As at 31 March 2018, the first phase of installation of lateral support works was around 75% completed. As mentioned in the last Annual Report and Interim Report of the Group, because of certain technical complications in the first phase of the project, part of the works had to be re-designed and re-scheduled. As a result, the estimated completion date has been postponed and the latest estimate is around the second quarter of 2019.

New project to commence after the year end date

Tseung Kwan O Interchange

This project is a subcontract for bored pile works for a part of the Tseung Kwan O – Lam Tin Tunnel. It is an about HK\$170 million contract. The project has commenced in mid-2018 and is expected to be completed by the end of 2019.

此項目按價值計有超過一半為拆卸原有建築物、進行地盤平整及道路改建作醫院擴建的地盤準備工作，而其餘為地基樁柱工程部分。

此項目收入佔本集團於本年度總收入約81%。鑽孔樁工程已於本年度進行，將於下年度進行的餘下工程大部分已外判。

於2018年3月31日，約68%項目工程已完成，預料此項為期4年的工程將於2019年第3季完成。

黃大仙區商住發展項目

本集團在2015年4月份獲得此份側向承托工程的合約，合同總額約3.2億港元（包括或然款項及／或暫定金額），首階段工程價值1.4億港元。

此項目收入佔本集團於本年度總收入約8%。

於2018年3月31日，首階段側向承托工程已完成約75%。誠如本集團上一份年報及中期報告所述，基於項目首階段工程中的若干技術上原因，部分工程須重新設計及重新編排進度，因此預期完成日期已推延，最新估計為2019年第2季左右。

年結日後動工的新項目

將軍澳交匯處

此項目為將軍澳 – 藍田隧道其中一部分的鑽孔樁分包工程，合約造價約1.7億港元。項目已於2018年中動工，預期於2019年底完工。

Management Discussion and Analysis

管理層討論與分析

BUSINESS OUTLOOK AND RECENT DEVELOPMENT

The Directors expect the new project, namely the Tseung Kwan O Interchange, which will begin in mid-2018, to contribute revenue to the Group mainly in the second half of the coming financial year. However, due to severe price competition for tenders limited in number as a result of filibusters on funding approval for public works and infrastructure projects in the Legislative Council, the Group expects its profit margin to remain substantially suppressed.

The Group will use its best endeavour to bid for new projects, but before landing major profitable projects, it expects to operate in an even tougher environment in the coming financial year, during which the results could possibly be worsen. To cope with the anticipated testing times, the Group repaid a large portion of its borrowings during the year to save interest expenses and disposed of certain equipment to free up working capital.

As at 31 March 2018, the Group had zero net gearing. The Directors consider the Group as in a healthy financial position, which will be able to brace it against operational pressure till the construction market warms up again when the Legislative Council speeds up clearing the backlog of public projects awaiting funding approval.

Gold Champion Enterprises Limited (“Gold Champion”), with stake held by the Group, owns a group of property holding companies, and it has received a number of enquiries from interested parties. The Group intends to at its best – work together with Gold Champion to take part in land development, bringing its wealth of expertise, skills and experience in construction to the projects concerned.

FINANCIAL REVIEW AND ANALYSIS

Despite the decline in revenue and profit as discussed above, the Group’s financial position remains healthy, with current ratio at 1.7 times (2017: 1.4 times) and total cash and bank balance amounted to approximately HK\$259 million (2017: HK\$369 million). Net borrowings were 0 (2017: 0), with the Group in a net cash position as at 31 March 2018.

業務展望及近期發展

董事預料在2018年中開展的新項目（即將軍澳交匯處）將成為本集團於下個財政年度下半年的主要收入來源。然而，由於立法會持續就待批公共基礎建設工程項目撥款拉布，導致可投標項目有限，市場近期的價格競爭激烈，預料本集團的利潤率將持續大幅受壓。

本集團將會盡力投標新項目，在贏得有利可圖的主要項目之前，我們預期下個財政年度的經營狀況更加艱難，業績有可能更差。為應付預期中的考驗，本集團本年度已償還大部分貸款以節省利息開支，並出售若干設備以套現資金用於營運。

於2018年3月31日，本集團的淨資產負債比率為零。董事認為本集團的財務狀況穩健，此將讓我們能夠抵抗經營壓力，靜待積壓的大量公共工程項目預算獲立法會批出後，把握建造業市況再度回暖之機會。

本集團持有股本的金冠企業有限公司（「金冠」）擁有一組物業控股公司。金冠收到不少有關查詢。本集團期望憑藉在建造業的專業知識、技術及經驗，與金冠通力合作並盡全力參與有關土地發展。

財務回顧及分析

儘管如上文所討論收入及溢利有所下降，本集團的財務狀況維持穩健，流動比率維持於1.7倍的穩定水平（2017年：1.4倍），現金及銀行結餘總額約為259,000,000港元（2017年：369,000,000港元）。本集團於2018年3月31日錄得淨現金水平，借款淨額為0（2017年：0）。

Management Discussion and Analysis

管理層討論與分析

Administrative Expenses

Administrative expenses increased by 35% from approximately HK\$45 million in the Previous Year to approximately HK\$61 million for the Year. The increase was mainly because of: (i) an exchange loss of about HK\$8 million and (ii) legal and professional expenses of about HK\$10 million incurred for a completed project. If both (i) and (ii) were excluded, administrative expenses would have remained stable.

- (i) The exchange loss from the outstanding Euro loans was the result of appreciation of the Euro between 31 March 2017 and 31 March 2018. Such loans, temporary and rolling-over on revolving terms, are intended for settling purchases required to support operation. The Group has the flexibility to settle when it receives proceeds in Euro or when the exchange rate is more favourable to it.
- (ii) The legal and professional expenses incurred for a completed project was reimbursed by Mr. Lau Chun Ming, a director of the Company. The amount reimbursed was recorded as other income in the financial statement. Therefore, the Group did not suffer loss from that completed project.

Finance Cost

Finance cost for the Year was approximately HK\$4 million, representing a decrease of approximately 57% compared to the approximately HK\$10 million in the Previous Year. This is mainly attributable to the about 68% reduction in bank borrowings during the Year. The Group managed to trim its finance cost and at the same time maintain sufficient working capital to meet the needs of current construction projects.

Taxation

The effective income tax rate for the Year was 2% (2017: 13%). The decrease in effective tax rate is mainly attributable to the gain on disposal of plant and equipment in the current year of about HK\$6 million, which is not subject to tax.

行政開支

於本年度，行政開支由去年約45,000,000港元增加35%至約61,000,000港元。增加主要由於(i)匯兌虧損約8,000,000港元；及(ii)一項已完工項目的法律及專業開支約10,000,000港元。倘撇除(i)及(ii)，行政開支則維持穩定。

- (i) 匯兌虧損乃由未償還的歐元貸款產生，原因為歐元於2017年3月31日至2018年3月31日之間升值。該等貸款屬暫時性質且按循環條款續展，擬用作結算營運所需採購，而本集團將可在其收到以歐元計值的款項或當匯率更為有利時靈活地還款。
- (ii) 一項已完工項目的法律及專業開支由本公司董事劉振明先生償付。償付款項於財務報表列作其他收入。因此，本集團並無因該項已完工項目而蒙受虧損。

財務費用

本年度的財務費用約4,000,000港元，較去年約10,000,000港元減少約57%，主要由於本年度銀行貸款減少約68%。本集團成功削減財務費用，同時維持足夠營運資金滿足現有建築項目的需要。

稅項

本年度的實際所得稅稅率為2%（2017年：13%）。實際稅率下降，主要是因為於本年度錄得出售機器及設備之收益約6,000,000港元為毋須繳稅。

Management Discussion and Analysis

管理層討論與分析

Capital Expenditures and Capital Commitments

The Group generally finances its capital expenditures by internal resources, long-term bank loans and finance leases. The Company also secured additional financial resources from its listing in 2014. During the Year, the Group invested approximately HK\$1 million in machinery and equipment. As at 31 March 2018, the Group's capital commitments relating to purchase of machinery and equipment was nil (2017: nil).

During the Year, the Group disposed of foundation equipment with net book values of about HK\$32 million. The equipment was intended to be deployed in construction projects undertaken by the Group. Due to the slowdown in the construction industry in Hong Kong as a result of a large backlog in funding approval for public works as discussed above, the utilisation of the equipment was not as expected. The Directors consider that the Group should take this opportunity to dispose of the equipment to free up more working capital for its operation.

During the Year, save as disclosed herein, the Group did not make any material acquisitions or disposals of assets.

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 generated from operating activities a net cash inflow of approximately HK\$59 million (2017: HK\$295 million). Together with short-term bank loans and overdraft facilities available, the Group's daily operations had been financially sound throughout the Year.

資本開支及資本承擔

本集團一般透過內部資源、長期銀行貸款及融資租賃撥付其資本開支。本公司亦自2014年上市獲得額外財務資源。本集團於本年度投資約1,000,000港元購置機械及設備。於2018年3月31日，本集團有關購置機械及設備的資本承擔合共為零港元（2017年：零港元）。

本年度，本集團出售賬面淨值約32,000,000港元的地基設備。設備原擬用於本集團進行的建築工程。正如上文所述，公共工程撥款大量積壓導致香港建築行業放緩，設備的使用情況未達預期。董事認為本集團應把握機會出售設備，套現更多營運資金用於營運。

於本年度，除本文所披露外，本集團並無任何重大資產購置及出售。

流動資金、財務資源及資產負債比率

流動資金

本集團一般以其經營產生的現金流及短期借貸撥付其營運資金需求。於本年度，本集團經營活動產生的現金流入淨額約59,000,000港元（2017年：295,000,000港元）。加上短期貸款及備用銀行透支，本集團於本年度的日常營運維持財政穩健。

Management Discussion and Analysis

管理層討論與分析

Cash and Bank Balances

As at 31 March 2018, the Group had a total cash and bank balances of approximately HK\$259 million (2017: HK\$369 million) mainly denominated in Hong Kong dollars and Macau patacas. The decrease in cash and bank balances was mainly due to the repayment of bank borrowings during the Year.

Borrowings

As at 31 March 2018, the Group had total borrowings of approximately HK\$81 million (2017: HK\$252 million) denominated in either Hong Kong dollars or Euros. Borrowings generally include short-term and long-term bank loans, finance leases and overdrafts bearing floating interest rates. Of the total borrowings, approximately HK\$29 million (2017: HK\$137 million) was short-term bank loans and approximately HK\$36 million (2017: HK\$62 million) was the current portion of long-term bank loans and obligations under finance lease with maturity dates within 12 months.

Gearing Ratio and Total Equity

As at 31 March 2018, the Group had a net cash position (2017: same) (net borrowings divided by total equity). The Group's net cash position was mainly attributable to the profits from operations and the reduction in capital expenditure on machinery and equipment. 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.

As at 31 March 2018, the Group's net current assets were approximately HK\$156 million (2017: HK\$169 million) and current ratio (current assets divided by current liabilities) was 1.7 times (2017: 1.4 times). The Group's total equity as at 31 March 2018 was approximately HK\$686 million (2017: HK\$696 million).

現金及銀行結餘

於2018年3月31日，本集團的現金及銀行結餘總額約為259,000,000港元（2017年：369,000,000港元），主要以港元及澳門幣計值。現金及銀行結餘減少主要源自本年度償還銀行貸款。

借款

於2018年3月31日，本集團借款總額約81,000,000港元（2017年：252,000,000港元），以港元或歐元計值。借款一般包括短期及長期銀行貸款、融資租賃及透支，並按浮動利率計息。於借款總額中，約29,000,000港元（2017年：137,000,000港元）為短期銀行貸款，及約36,000,000港元（2017年：62,000,000港元）為長期銀行貸款及融資租賃責任的即期部分，根據各自到期日於12個月內到期。

資產負債比率及權益總額

於2018年3月31日，本集團錄得淨現金水平（2017年：相同）（按借款淨額除以權益總額計算）。本集團錄得淨現金水平主要是由於營運產生溢利以及機械及設備的資本開支減少所致。就計算本集團的淨資產負債比率而言，借款淨額指借款總額減去現金及現金等價物，以及受限制銀行結餘。

於2018年3月31日，本集團的淨流動資產約為156,000,000港元（2017年：169,000,000港元），而流動比率（按流動資產除以流動負債計算）為1.7倍（2017年：1.4倍）。於2018年3月31日，本集團的權益總額約為686,000,000港元（2017年：696,000,000港元）。

Management Discussion and Analysis

管理層討論與分析

Foreign Exchange Exposure

Operations of the Group are mainly conducted in Hong Kong dollars and Macau patacas. The Group's revenue, expenses, cash and bank balances, borrowings, other monetary assets and liabilities are also principally denominated in those two currencies. Other than the purchases paid in Euros and Singapore dollars and such short-term Euros borrowings for settlement, 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 2018, save for guarantees of performance bonds relating to two foundation works and ancillary services projects of the Group of approximately HK\$18 million and HK\$17 million, respectively (2017: same), 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 2018, the net book amount of plant and equipment held under finance leases and pledged for long-term bank loans was approximately HK\$84 million (2017: HK\$124 million) and approximately HK\$117 million (2017: HK\$123 million), respectively. None of the banking facilities of the Group were secured by the Group's bank deposits (2017: none).

外幣風險

本集團的營運主要以港元及澳門幣進行。本集團的收入、開支、現金及銀行結餘、借款、其他貨幣資產及負債亦主要以港元及澳門幣計值。除了本年度的採購以歐元及新加坡元支付以及就有關結算而動用的相關短期歐元借款外，本集團並無重大外幣風險，亦無採用任何金融工具作對沖用途。

或然負債

於2018年3月31日，除有關本集團兩項地基工程及附屬服務項目的履約保函擔保分別約18,000,000港元及17,000,000港元（2017年：相同）之外，本集團並無其他任何重大或然負債。該等履約保函預計將根據各建築合約的條款解除。

資產抵押

於2018年3月31日，根據融資租賃持有及質押以獲得長期銀行貸款的機械及設備的賬面淨值分別為約84,000,000港元（2017年：124,000,000港元）及約117,000,000港元（2017年：123,000,000港元）。本集團沒有銀行信貸由本集團的銀行存款作抵押（2017年：無）。

Management Discussion and Analysis

管理層討論與分析

RELATIONSHIPS WITH CUSTOMERS, SUPPLIERS AND EMPLOYEES

Customers

The Group emphasises its ability to deliver quality work on time to customers and within the pre-determined project budget. To execute the quality assurance policy of the Group, we have maintained a quality management system which follows the ISO 9001 standards. Quality assurance functions are performed throughout the foundation works process from the construction materials procurement stage to the completion stage to ensure that the foundation works and ancillary services meet the standards required by each customer. In addition, members of our management team communicate with our customers on a regular basis during the course of a project to better understand and respond to our customers' specific requirements. As our foundation business operates on a non-recurring and project-by-project basis, we have not entered into any long-term master contract with any of our major customers. However, through this continued relationship development, our Group aims to attract further business from these customers and referrals from these customers. Our directors consider that our Group has established good relationship with our customers by delivering constructive solutions and quality service to them.

Suppliers

We enter into contracts with our suppliers for construction materials and subcontractors on a project-by-project basis without a long term contract. Meanwhile, we maintain a pre-approved list which admission is subject to assessment of their background (including track record, pricing, market reputation, timely delivery, financial conditions and after-sales service) and the satisfactory quality of their construction materials, and review and update the list from time to time. We also acquired machinery and equipment from Asian and European manufactures. We will check the product qualities and make payments according to the contract terms. The directors consider that we have maintained good business relationships with these suppliers, subcontractors and manufacturers. During the year, there was no material delay or dispute related to them causing disruption to our operations. Some of them also have developed good trading history of over years with our Group.

與客戶、供應商及僱員的關係

客戶

本集團強調按時及在項目的預算內向客戶交付優質工程的能力。為執行本集團的質保政策，我們已採取符合ISO 9001標準的質量管理系統。質量保證職能從採購建築材料階段到完成的各個階段均貫徹採納，以確保地基工程及附屬服務可達到各客戶要求的標準。此外，於項目過程中，我們的管理團隊成員與客戶保持定期溝通，以便深入了解及回應客戶的具體要求。由於本集團的地基業務以非經常性及以項目為單位營運，我們並無與任何主要客戶訂立任何長期綜合合約。然而，透過這種持續的關係發展，本集團旨在從該等客戶招攬更多的業務及客戶的轉介。董事認為，本集團已透過向客戶提供建設性的解決方案及優質服務，與客戶建立起良好的關係。

供應商

我們按逐項基準就建築材料與供應商訂立合約並與分包商訂約，且並無訂立長期合約。同時，我們列有一份預先認可名單，獲納入該名單前，供應商必須先通過就彼等背景（包括往績記錄、價格、市場聲譽、準時交付情況、財務狀況及售後服務）及彼等建築物料質量是否令人滿意所作的評估，本集團不時檢討及更新該名單。我們亦向亞洲及歐洲製造商購置機械及設備。我們將檢查產品質量並根據合約條款付款。董事認為，我們一直與該等供應商、分包商及製造商維持良好業務關係。年內，並無有關彼等的任何重大延遲或爭議對本集團業務造成干擾。彼等當中有多個已經與本集團合作多年。

Management Discussion and Analysis

管理層討論與分析

Employees

We believe that our employees are important assets to our Group. Our directors recognise the importance of attracting and retaining staff by providing a healthy and safe working environment and job security. Our staff receive training to enable them to acquire the prerequisite skills and knowledge on health and safety related procedures before they are assigned to carry out foundation works and ancillary services on sites. Our Group also performs regular maintenance checks on the machinery and equipment since our Group regards regular maintenance as an important element to ensure safety at the work sites. There was no fatal accidents happened in the Group's projects during the year and the accident rate was lower than the industry average for the construction industry.

As at 31 March 2018, the Group had approximately 177 (2017: 210) employees. The remuneration package we offer to our employees includes salary, discretionary bonuses and allowances. In general, we determine employee salaries based on the individual's qualifications, position and performance (where applicable). We have designed an appraisal system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions. Our directors believe that the relationship and co-operation between our management team and our employees has been good.

僱員

我們相信，僱員乃本集團的重要資產。本集團董事認識到透過提供一個健康及安全的工作環境及工作保障對吸引及挽留員工的重要性。我們的員工在被派往地盤開展地基工程及附屬服務前已接受培訓，以便能掌握有關健康及安全流程的必要技能及知識。本集團亦對機械及設備進行定期檢修，因為我們將定期保養和檢查視為確保工程地盤安全的要素。年內本集團的項目內並無發生致命事故，且事故率低於建築行業的行業平均水平。

於2018年3月31日，本集團有約177名（2017年：210名）僱員。我們提供予僱員的酬金組合包括薪金、酌情花紅及津貼。在通常情況下，我們根據僱員的個人資歷、職位及表現（倘適用）來釐定其薪金。我們設計了一套審核制度，以評估僱員的表現，並據此決定其加薪幅度、花紅及晉升。董事相信，我們管理團隊與僱員之間的關係與合作保持良好。

Management Discussion and Analysis

管理層討論與分析

ENVIRONMENTAL POLICIES

Our Group also places an emphasis on environmental protection when undertaking our foundation works and ancillary services. Our Group's activities are performed with the utmost attention to quality, safety and with respect to the environment. It is the policy of our Group to ensure that all its activities are carried out in a manner that causes minimum adverse impact on the environment through the establishment and implementation of a management system which aims to achieve environmental targets, comply with environmental legislation and regulations, foster employees' awareness of their responsibilities for the environment; and review the Group's performance in respect of environmental matters and strive to achieve continual improvement of its performance and prevention of pollution. Trainings are provided to all staff including the sub-contractor staff on the statutory and other relevant requirements on environment and the implications of not complying therewith.

In recognition of the policies and procedures undertaken by our Group to address potential environmental issues with its foundation works and ancillary services, in particular, large diameter bored piles (with bell-out) and rock socketed steel H-piles in pre-bored holes, our Group was awarded the ISO 14001:2004 (environment management system accreditation) and renewed the certificate after passing the relevant audits conducted by external certification body. Our Group also implements an ISO 50001-based EnMS (energy management system) that helps us to ascertain our current status of energy use in order to devise corresponding measures to promote efficient energy use in machinery and facilities and to formulate a clear framework to promote continual improvement in energy management and raise staff awareness on energy efficiency and conservation. Our Group also monitors continuously on the compliance with the customer's environmental protection requirements and relevant laws and regulations. During the year, our Group had not been prosecuted by any governmental authority for any purported breach of any applicable environmental laws and regulations.

環保政策

本集團於承接地基工程及附屬服務時亦着重環境保護工作。本集團業務執行過程中尤為注重質量、安全及環保。本集團的政策為透過建立及實施管理系統，以對環境造成最小不利影響的方式進行所有其業務，該管理系統旨在達成環保目標、符合環保法律及法規、培養員工的環保責任意識，並檢討本集團有關環保事宜的表現，致力實現其業績表現的持續改善並防止污染。本集團就環保的法定及其他相關規定以及不遵守該等規定的影響向全體員工（包括分包商的員工）提供培訓。

本集團獲頒發ISO 14001:2004（環境管理體系認證），以認可本集團為解決地基工程及附屬服務（尤其是大口徑鑽孔擴底樁及套入岩石鋼樁）涉及的潛在環境問題而採取的政策及流程，並經通過外部審核公司進行的相關審核後，重續證書。本集團並已實施ISO 50001能源管理體系，可以協助我們了解現行能源使用狀況，以制訂機械和設備使用相應的善用能源措施和框架，促進持續改善能源管理，提高員工對能源效益和節能的意識。本集團亦就遵守客戶的環保要求及相關法律及法規進行持續監控。年內，本集團並無因任何指稱違反任何適用環境法律及法規而被任何政府機關起訴。

Environmental, Social and Governance Report

環境、社會及管治報告

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8. SUSTAINABILITY PERFORMANCE OVERVIEW 數據表現摘要
9. HONG KONG STOCK EXCHANGE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX 香港聯交所環境、社會及管治報告指引索引

Environmental, Social and Governance Report

環境、社會及管治報告

1. OUR REPORT

1.1. Overview

This report provides the corporate and social responsibility performance of Sam Woo Construction Group Limited (the “Group”) (HKEx Stock Code: 03822) in environmental, social and governance from 1 April 2017 to 31 March 2018. This report is in compliance with the “comply or explain” provisions of Environmental, Social and Governance Reporting Guide (ESG Reporting Guide) under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and contains all recommended disclosures therein.

1.2. Scope of Reporting

This ESG Report covers the operation of the Group’s headquarters office and foundation works of United Christian Hospital.

1.3. Feedback Mechanism

We welcome comments and advices from readers on this report or on our corporate social responsibility performance. Whether you are a customer, a business partner, a common citizen, a media organization or social group, your comments and advices will help determine and reinforce the Group’s future sustainability strategy. Please provide your feedback via the following contact information:

Sam Woo Construction Group Limited

三和建築集團有限公司

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1. 我們的報告

1.1. 概覽

本報告提供有關三和建築集團有限公司(下稱本集團)(港交所上市編號：03822)在2017年4月1日至2018年3月31日的環境、社會及管治的企業社會責任表現的情況。本報告已遵守《香港聯合交易所有限公司證券上市規則》附錄27《環境、社會及管治報告指引》(ESG報告指引)所載列的「不遵守就解釋」條文，並根據指引中的所有建議披露作匯報。

1.2. 報告範圍

本環境、社會及管治報告的內容涵蓋本集團的總部辦公室的營運，以及聯合醫院的地基工程項目。

1.3. 意見反饋機制

我們歡迎讀者就本報告又或我們的企業社會責任報告工作提出意見和建議。不論您是客戶、業務夥伴、公眾、媒體或民間團體，您的意見及建議均有助確定及加強本集團未來的可持續發展策略。請透過以下聯繫方式給予反饋：

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2. STAKEHOLDERS COMMUNICATION

The Group recognizes the importance of listening to our stakeholders' opinions. Responding to their expectations and requirements promptly is an indispensable part of our efforts in sustainable development. Therefore, we deeply understand the concerns of different stakeholders to meet their demands and continue to improve, and thus also enhance the Company's management capabilities of sustainable development and drive the realization of the Company's strategic objectives.

The Group communicates with our investors through a variety of channels to ensure that they are up to date with our latest developments. Such channels include result announcements, annual and interim reports, meetings, company publications and company website. In addition, the Group maintains close contact with customers and contractors through meetings, telephone conferences and e-mails. They may also have access to more information by referring to publications about the Group.

3. CARE FOR THE ENVIRONMENT

Management guidance and policies

The Group understands the potential environmental impact associated with construction works; we therefore are committed to protecting environment and promoting sustainable development to avoid irreversible damage to the environment. To demonstrate our commitment on the environmental protection, the Group has obtained ISO 14001 Environmental Management System Certification and ISO 50001 Energy Management System Certification, and has conducted regular internal and external assessments to evaluate the system effectiveness for continuous improvement.

The Group has strictly complied with all applicable environmental protection laws and regulations, and there were no cases of prosecution due to violation of the relevant environmental protection laws during the reporting period.

2. 與持份者溝通

本集團深明持續的聆聽持份者意見，及時回應他們的期望與要求是企業可持續發展工作中不可或缺的內容。因此，我們深入瞭解不同持份者關注的事項，滿足他們的訴求並持續改進，也藉此提升公司的可持續發展管理能力，驅動公司戰略目標的實現。

本集團透過不同的渠道與我們的投資者進行交流，務求令投資者能充分掌握我們的最新動態，其中包括業績發佈、年報及中期報告、會議、公司刊物及公司網站。本集團亦經常與客戶及承判商等以會議、電話會議、電郵等方式保持緊密聯繫，他們亦可通過參閱有關本集團的刊物瞭解更多的資訊。

3. 愛護環境

管理方針及政策

本集團明白進行建築工程對環境所產生的潛在影響，我們一直致力實踐環境保護和推動可持續發展，以避免對環境造成不可逆轉的破壞。為展現對環境的承諾，本集團已獲 ISO 14001 環境管理體系認證及 ISO 50001 能源管理體系認證，並會就系統的有效性進行定期的內部及外部評估，力求持續改善。

本集團嚴格遵守所有適用的環保法例和法規，報告期內未有因為違反與環保相關法例而被檢控的個案。

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3.1. Pollution Control

Tackling climate change

To demonstrate the Group's commitment to sustainable development, we have formulated regional procurement measures in accordance with the guidelines of *BEAM Plus for New Buildings*. With the preference to use local suppliers and regional materials, energy consumption and greenhouse gas emission that arisen from additional transportation was reduced. In the past year, about 80% of materials that we used in the United Christian Hospital project were regional materials which produced within 800 kilometres.

The Group has spared no effort to adopt state-of-the-art technologies and equipment, which not only improves production efficiency, but also enhances our environmental protection performance and reduces energy consumption and carbon emissions. The Group conducts regular equipment maintenance to improve the operation efficiency and minimise the additional emissions that caused by equipment failure.

3.1. 污染控制

應對氣候變化

為展現本集團在可持續發展的承擔，我們參照《綠環建評—新建建築》的指引，制訂了關於區域性採購的措施，在符合我們要求的條件下，優先選用本地供應商及採用地區生產的物料，以減少因額外的運輸過程而增加的能源消耗及溫室氣體的排放。過去一年，我們在聯合醫院的工程項目中所採用的物料，大約80%均已是來至800公里範圍內生產的區性物料。

本集團一直致力吸納新技術及設備，除可提高生產效率外，同時亦可促進環保表現，減少耗能及碳排放。本集團會定期對設備進行維修保養，以提高設備運行效率，降低因設備失效而導致的額外排放。

Direct emission 直接排放	Energy indirect emissions 能源間接排放 (tCO ₂ e) (公噸二氧化碳當量)	Total greenhouse gas emissions 溫室氣體排放總量
78.09	469.35	547.43
Total consumption 總耗量		Carbon emissions 碳排放量
Electricity 電力	670.79 kWh 千瓦時	0.362 tCO ₂ e 公噸二氧化碳當量
Gasoline 汽油	19,805.52 litres 公升	53.631 tCO ₂ e 公噸二氧化碳當量
Diesel 柴油	3,017,404.16 litres 公升	8,365.367 tCO ₂ e 公噸二氧化碳當量

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Waste Management

In order to reduce the loading of the landfill and its associated treatment of waste disposal, the Group is fully aware of the importance to the waste management. We identify the source of waste by assessing the production flow, and thereby working out an action plan for reduction of hazardous waste.

For the management of non-hazardous waste, the Group follow the 3R waste management strategy by minimizing the generation of waste (Reduce) and considering reuse (Reuse) and recycling (Recycle) before disposal to fulfil our commitment to waste management.

In terms of the management of hazardous waste, we separately store hazardous waste in special containers with appropriate labels for identification. When dispose the hazardous waste, we strictly comply with relevant laws and regulations, a licenced waste collector would be appointed for disposal of the hazardous waste. During the reporting period, no hazardous waste was generated from the Group.

The following is the annual total amount of waste produced during the reporting period:

Types of waste

廢棄物種類

Hazardous waste

有害廢棄物

Non-hazardous waste

無害廢棄物

廢棄物管理

為減少堆填區及其相關的廢棄物處置的負荷，本集團非常重視廢棄物的管理。我們會定期評估生產流程，找出廢棄物產生的源頭，制定減少有害廢棄物的行動計劃。

對於無害廢棄物的管理，本集團會依循3R的廢棄物管理策略，盡可能減少廢物的產生(Reduce)、在處置廢棄物前會考慮重用(Reuse)及回收(Recycle)，以履行我們對廢棄物管理的承諾。

對於有害廢棄物的管理，我們會將有害廢棄物均會獨立儲存於專用垃圾桶內，並附有適當的標籤作識別；而當需要處置有害廢棄物時，會嚴格遵從有關的法律法規安排合資格的有害固體廢物處理公司進行回收處理。而在報告期內，我們並未有有害廢棄物產生。

以下為報告期間全年總量生產的廢棄物量：

Annual total

全年總量

0 tonnes

0公噸

69,775.72 tonnes

69,775.72公噸

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Reduction of wastewater discharge

The Group strives to handle sewage discharge in a responsible manner. The construction wastewater would be treated at the sewage treatment tank before discharge into sewage drains to ensure the compliance with the requirements of the discharge license. Meanwhile, the Group has always promoted the concept of recycling wastewater to reduce wastewater discharge and conserve water.

3.2. Use of Resources

The Group has always been responsible for the natural environment. Therefore, we have formulated the code of practice and technical guidance to provide more specific management suggestions and measures to the employees, to ensure all resources, including energy, water and other natural resources are used in an efficient and conservative manner.

Energy conservation and consumption reduction

The Group has always been committed to promoting environmental protection performance and reducing energy consumption. In the past, The Group has implemented a number of targeted energy-saving renovation projects to further reduce energy consumption. Furthermore, the Group also obtained ISO 50001 Energy Management System certification in the previous reporting period to demonstrate the Group's efforts in systematizing energy management, enhancing energy efficiency and reducing carbon emissions.

減少廢水排放

本集團致力以負責的態度處理污水排放事項，對於建築過程中產生的污水如需要排放，會先經過污水處理池處理以確保符合污水排放牌照的條件，再經污水渠排放。同時，集團一直在推廣廢水循環利用的理念，務求在減少廢水排放的同時節省用水量。

3.2. 善用資源

本集團始終秉承對自然環境負責，故此我們制定實務手則及技術指引，以為員工提供了更具體的管理建議及措施，使其更有效及審慎地使用所有資源，包括能源、水及其他天然資源等。

節能降耗

本集團一直致力促進環保表現，減少耗能。過去本集團實施多項針對性節能改造工程，以進一步降低能源消耗量。同時，集團亦在過去的報告期內獲得了ISO 50001的能源管理系統認證，以彰顯集團在能源管理系統化，提升能源效益和減少碳排放的努力。



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Water conservation and efficiency enhancement

To minimize construction works' impacts on and damage to the environment, the Group incorporates the concept of using recycled water into the operation of construction sites. The construction wastewater would be reused for water spraying for dust reduction and for equipment cleaning after treated by sewage treatment tank. This method helps to reduce water consumption and control pollution simultaneously. In addition, to protect precious water resources, we actively promote the concept of water conservation to employees and strengthen the management and inspection of water-consuming equipment so as to achieve the purpose of water conservation.

During the reporting period, the major resources consumed by the Group during its operation and production are summarized as follows:

Resources 資源	Unit 單位	Total consumption 總耗量
Electricity 電力	kWh 千瓦時	670.79
Gasoline 汽油	litres 公升	19,805.52
Diesel 柴油	litres 公升	3,017,404.16
Water 水	m ³ 立方米	13,656
Packaging materials 包裝物料	N/A 不適用	N/A 不適用

節水增效

為減少建築工程對環境所帶來的影響及破壞，本集團把使用循環水的理念滲透於工地運作中，我們會將工序中產生的污水，經過污水處理池進行處理，然後再輸送回工地內作減塵灑水及清洗裝備之用，此措施既可減少用水，亦有助控制污染。另外，為保護珍貴的水資源，我們積極向員工推行節約用水的概念和加強對用水設備的維護檢查管理，以達至節約用水的目的。

於報告期間，本集團在運作及生產期間所消耗各種主要資源概列如下：

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3.3. Green Operation

Advocating green office

The Group proactively integrates environmental responsibility into its daily business operations. Accordingly, we have established the green office policy and the management measures of green operation to reduce environmental impact and the consumption of natural resources.

Measure name 措施名稱

Green office
綠色辦公室

Promoting Green Concepts
in the Supply Chain

在供應鏈中宣傳環保

Measure details 措施內容

- Adopting zoning control for lighting and air-conditioning systems in the office
- 辦公室的照明及空調系統採用分區控制
- Encouraging paperless office by replacing traditional paper documents with electronic documents
- 鼓勵無紙化辦公，利用電子文檔取代傳統紙質文檔
- Setting air conditioners' temperature to 25°C
- 設定空調溫度為25°C
- Arranging for the supplier to collect toner cartridges to minimize the production of hazardous waste
- 碳粉匣會安排由供應商作回收，減少危險廢棄物的產生
- Advocating utilization of recycled paper in response to the call for cherishing the earth's resources
- 提倡使用再造紙以響應珍惜地球資源
- All contracts entered into with suppliers contain all requirements on environmental protection. Suppliers are required to comply with environmental protection laws and regulations and the standards of the Group
- 與供應商簽訂的合同中包含環境保護的所有規定，供應商必需遵從環保法律法規及本集團的標準

3.3. 綠色營運

倡導綠色辦公

本集團積極將環境責任融入到企業日常經營行為中，對此我們為訂立綠色辦公室政策及綠色營運的管理措施，以減低對環境及自然資源的消耗。

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Measure name 措施名稱	Measure details 措施內容
Providing Environmental Protection Training 提供環保培訓	<ul style="list-style-type: none"> The Group will also use posters and emails from time to time to encourage sub-contractors to comply with environmental protection measures 本集團亦不時使用海報和電子郵件鼓勵分包商遵循環保措施 The Group provides environmental protection training for every new employee for them to understand the requirements and standards of the industry and the Group on environmental protection. 本集團均會為新入職的員工提供環保培訓，讓他們瞭解行業及本集團對環境保護方面的要求及標準
Green purchase and management 綠色採購及管理	<ul style="list-style-type: none"> At day-to-day meetings, we remind and educate employees and workers on our environmental protection efforts 在日常會議中均會提醒及教育員工及工人實施環保工作 Give priority to models that are energy efficient and low in emissions to support environmental protection when they meet the Company's requirements 在符合公司要求情況下，優先選擇高能源效益及較少排放的型號以支持環保 After completion of a project, tools and equipment that are in good condition would be transported back to the warehouse to be used for other projects 當工程項目完工後，狀態良好的工具及裝備會帶回倉庫，以備其他工程再用 The Group would procure materials based on the actual needs of the project and would record the quantity used for monitoring to prevent wastage due to lack of management 按工程實際需要計劃採購的材料和物資，並記錄用量以便監察，避免因欠缺管理而導致浪費 Regular inspections and maintenance are carried out in order to increase energy efficiency and slow down the damage and prolong the working life of the machineries 定期進行日常檢查和保養以提升能源效益及減慢機器損壞，延長工作壽命

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Green Construction

The major pollution source generated by the group is from the daily operation of construction site. To effectively control and manage as well as focusing on various environmental discharges, the Group has in place a “Green Construction Program” for control and strict monitoring. It ensures that constructions are carried out in accordance with relevant environmental protection laws and regulations to minimize the environmental impacts of the project construction process on the surrounding environment.

綠色施工

地盤日常運作是集團的主要產生污染的來源之一，為有效及重點控制管理各項環境排放，集團有一套「綠色施工方案」以管制及嚴格監控，確保施工按照相關環保法律法規執行，以至將項目施工的過程對周邊的環境影響降至最低。

Site Management

工地管理

Airborne dust prevention

防揚塵

- Adopting effective dust prevention measures on site (water sprinkling, hard-paving ground, fencing, netting and sealing)
- 現場採取有效防塵措施（如灑水、地面硬化、圍檔、密網覆蓋、封閉等
- Ensuring the airborne dust control meets the requirements of Air Pollution Control Ordinance and Building Environmental Assessment Method Plus for New Buildings
- 確保施工現場揚塵控制須達到《空氣管制條例》及《綠建環評－新建建築》規定

Noise suppression

降噪音

- Noise shall not exceed the requirements of the Noise Control Ordinance and Building Environmental Assessment Method Plus for New Buildings
- 噪音不得超過《噪音管制條例》及《綠建環評－新建建築》規定
- Regulating and controlling noise instantly on the construction site
- 在施工場界對噪音進行即時監測與控制



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Site Management

工地管理

Wastewater treatment

污水處理

- Applying for s wastewater discharge permit according to the discharge requirements
- 按照排放要求申請污水排放許可證
- Assigning qualified units to monitor wastewater quality
- 委託合資格的單位進行廢水水質檢測
- Ensuring the wastewater discharge meets the requirements of the Water Pollution Control Ordinance
- 確保污水排放達到《水污染管制條例》的規定

Waste management

廢棄物管理

- Setting a temporary storage site for waste
- 設立廢棄物臨時貯存場地
- Conducting waste classification with clear categorization
- 分類擺放並有明確的標識
- Hazardous solid waste is required to be classified and placed in a confined area
- 有害固體廢棄物必須分類收集，以及封閉存放
- When certain amounts are stockpiled, local certified collector is engaged to dispose of the waste
- 積存一定數量後則須委託當地合資格的收集商統一處理
- Ensuring the requirement of the Waste Disposal Ordinance are met
- 確保符合《廢物處置條例》的規定

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4. GROWTH AND WIN-WIN

4.1. Equal Employment

Management guidelines and policies

To become the “best employer”, we endeavour to build a working environment that features mutual respect, harmonious coexistence and safety first; and we also provide training courses and career development opportunities to employees for improving in work. We have a dedicated human resources committee to regularly review and improve the relevant policies, so as to ensure that they are in compliance with local laws and industry guidelines. During the reporting period, the Group did not find any violations or receive complaints concerning discrimination or recruitment.

Equal opportunity and diversity

We adopt a policy of diversity and non-discrimination to ensure that each job applicant has equal right to apply for a job, and that employees are treated fairly and impartially in recruitment, probation, promotion, resignation and other aspects. In considering the recruitment and promotion of an employee, we refer to his/her job performance, experience and personal ability of the employee as the promotion criteria, and will not discriminate against or disregard him/her on the grounds of sex, age, race or physical condition. Furthermore, we would base salary adjustments of an employee on his/her performance and the market level.

4. 成長共贏

4.1. 平等僱傭

管理方針及政策

我們一直以成為「最佳僱主」為目標，致力為員工打造互相尊重、和諧共融以及安全為重的工作環境；並會適時安排培訓課程和提供事業發展機會，讓員工在工作上精益求精。我們透過專責的人力資源委員會定期檢討和改善有關政策，確保它們符合本地法律的要求和行業準則。於報告期內，本集團沒有發現或收到有關於歧視或招聘的違規事件或投訴個案。

平等機會及多元化共融

我們採納多元化及非歧視性的政策，確保每位工作應聘者都擁有相對應的權利，確保員工在招聘、試用期、晉升、離職等各方面均獲得公平公正的待遇。在考慮招聘及晉升工時，會參照員工的工作表現、經驗及個人能力作為員工晉升的條件，不會因性別、年齡、種族及身體狀況等因素而歧視及不予考慮。此外，我們會以員工表現和市場水平作為薪酬調整的基礎。

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Employee benefits

We enter into employment contracts with employees in accordance with *Hong Kong Employment Ordinance* to protect employees' legal rights and interests and ensure they are entitled to paid leave, sick leave, work-related injury leave and maternity leave in accordance with statutory standards. Moreover, if an employee has suffered from an injury or died as the result of an accident at work, the Group would pay a reasonable compensation to the employee and their family in accordance with the labour law. The Group's policy is strongly against overtime work for employees. Prescribed overtime pay and compensatory leave would be given for overtime work.

The Group is also attentive to the physical and mental health of employees, and therefore encourages employees to achieve work-life balance. Our United Christian Hospital site also hosts recreational activities from time to time to help employees relieve work pressure and to strengthen relationship among them, and enhance the employees' cohesion and sense of belonging towards the Company.

員工福祉

我們會按照《香港僱傭條例》與員工簽訂僱傭合約以保障員工的法定權益，並依法享有帶薪假期、病假、工傷假、產假等。此外，如員工遇到工傷事故及工業死亡意外時，本集團會按勞工法例對員工及其家屬作出合理賠償。本集團政策強調不強迫員工超時工作，而超時工作亦有預先定明的超時薪津或補假。

同時本集團十分注重員工的身心健康，故此，我們鼓勵員工追求工作與生活之間取得平衡。我們的聯合醫院地盤亦不時舉辦文娛活動幫助員工舒緩工作壓力及增進員工關係，並加強員工的凝聚力及對公司的歸屬感。

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4.2. Occupational Health and Safety

Management guidelines and policies

We always consider security affairs as a priority of the Group. We strive to create the safest and most suitable working environment with zero accidents by implementing various management measures to prevent potential risks of occupational diseases and industrial casualties. We have established a complete occupational health and safety management system and conducted regular inspections and assessments, and have continuously passed certification of OHSAS 18001 Occupational Health and Safety Management System.

During the reporting period, there was no case of violations of local occupational health and safety laws and regulations, nor any work-related fatalities. Unfortunately, however, two of the site employees were injured during work and lost 342 work days as a result; in order to prevent reoccurrence, we immediately investigated after the accident and formulated mitigation measures and strengthened supervision to safeguard our employees.

Evaluation of site safety risks

In order to identify all health and safety hazards and risks, we conduct preliminary inspections on operational and on-site work to identify level of potential risk. For high risk works, the Group would conduct risk assessment to formulate different levels of control measures. Objectives have been set for the processes with significant risks for better management.

4.2. 職業健康與安全

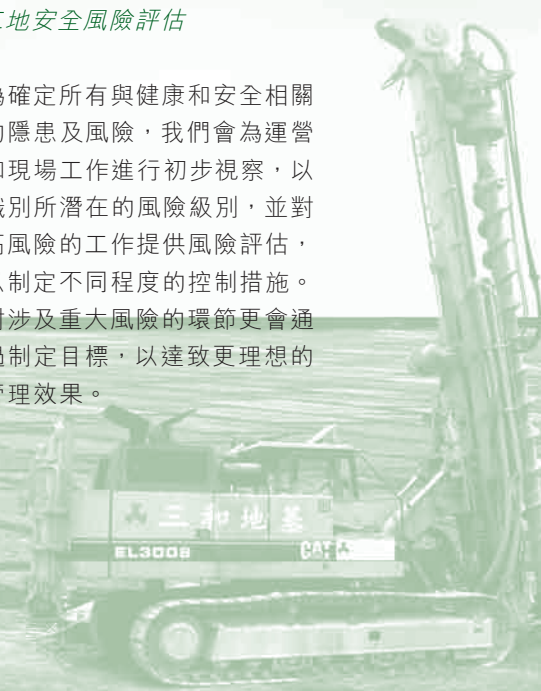
管理方針及政策

我們一直視安全事務為集團優先處理的事項，我們竭力營造最安全合適的工作環境，並以零工作意外為目標，實施多方面的管理措施，以防範引致員工職業病與工業傷亡的潛在危機。我們備有完善的職業健康及安全管理體系，定期進行檢視及評估，並已持續通過 OHSAS 18001 職業健康及安全管理體系的認證。

於報告期間，集團沒有發現違反營運當地與職業健康及安全相關的法律法規，同時沒有發現僱員因工作關係而死亡，但是不幸地有兩位地盤員工在工作時受傷，而損失的工作天數為342天；為避免事故再次發生，我們在事故發生後立即進行調查，制定緩解措施及加強監察，以保障我們的員工。

工地安全風險評估

為確定所有與健康和安全的隱患及風險，我們會為運營和現場工作進行初步視察，以識別所潛在的風險級別，並對高風險的工作提供風險評估，以制定不同程度的控制措施。對涉及重大風險的環節更會通過制定目標，以達致更理想的管理效果。



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Management of site safety

The Group has also carried out a safety inspection scheme whereby an appointed person would be delegated to perform regular safety inspections to ensure construction staff obey the safety rules at all times. We hold safety meeting each month to review the performance of each subcontractor in occupational safety and health and the environmental, and jointly formulate effective improvement and corrective measures. For high risk jobs, the management staff would determine the appropriate personal protective equipment for the employees to ensure their safety. In addition to a series of mandatory measures, we would select and reward frontline workers who have outstanding performance in occupational safety and health and the environment every month; and thereby to encourage more workers to pay attention to affairs concerning occupational safety and health and the environment.

Safety training

Furthermore, as a responsible employer, we provide employees with adequate occupational health and safety training. All employees who worked at the construction site must first go through a safety induction training session whereby the responsible safety supervisor would provide relevant training, including briefing on safety related laws, operational safety guidelines, potential dangers on site and emergency responses to enhance their operational safety awareness.

工地安全管理

本集團同時亦推行安全視察計劃，委派指定人員定期進行安全巡查及查核以確保操作人員時刻遵守安全。而每月我們召開安全會議，檢討各分判商在職安健環的表現，並一同制定效的改善及糾正措施。而針對高風險工作，管理人員會選擇合適的個人防護裝備給員工以保障他們的安全。除了一系列的硬性措施外，我們每月均會選出及獎勵在職安健環中有出色表現的前線工人，希望此舉能鼓勵更多工人關注職安健環的事宜。

安全培訓

同時作為負責任的僱主，我們為員工提供足夠的職業健康及安全培訓。所有進入工地工作的人員都需要先接受安全引導培訓課程，負責安全方面的主管會提供相關訓練包括簡介有關安全的法例、安全操作指引、工地潛在危險及緊急應變等以提高他們的安全操作意識。

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4.3. Training and Development

Management guidelines and policies

The success of the Group relies on the efforts of our employees and we also understand that continuous improvement is the key element of our business success. As such, we encourage employees to engage in life-long learning and assist them in improving their skills relating to their positions and developing their potential so they can grow with the Group.

Training System

The Group has sponsored and provided opportunities for employees to participate in various trainings to enhance their knowledge and skill, for example providing mechanical operations training for technician trainees and sponsoring their license examinations. Furthermore, the Group would nominate a number of employees to attend operations trainings, for new machine models, provided by the manufacturers; and would also participate in the exhibitions to visits latest mechanical developments. Through such programs, employees would be able to gain more comprehensive knowledge on mechanical operations and grasp new skills faster to help driving the Group's development.

In daily operations, the Group would arrange for team leaders to provide on-the-job training and experienced staff would give work guidance for junior level employees. In addition, managerial staff would attend seminars on construction industry management or new developments, organised by industry or professional organisations to enhance their knowledge in management and broaden their horizons. If a department deems it necessary, employees may be allocated to other positions to acquire knowledge and experience from different fields.

4.3. 培訓發展

管理方針及政策

集團的成功有賴我們員工的努力，同時我們亦深明持續進修是業務成功的關鍵要素。故此，我們鼓勵員工終身學習，並協助他們提升與其工作崗位相關的技能，發展他們潛能，與公司共同成長。

培訓制度

集團資助及提供機會給員工參加各類型提升知識技能的培訓，如提供機械操作培訓給見習技術員，並會資助負責相關作業員工考取資格證。此外，本集團會提名部分員工參加廠商的新機種操作訓練，又會安排參觀展覽會認識最新機械發展，希望透過此等計劃令員工得到更全面的機械操作知識以及更快掌握新技術從而推動公司的發展。

在日常工作中，又會安排小組主管提供在職培訓，並安排有經驗的員工為初級員工進行工作指導。此外，管理層亦參與業界或專業團體舉辦的建築業管理知識或新發展的講座，有助提升他們的管理知識及擴闊視野。如部門有需要，員工更可調配到不同的崗位，讓員工涉獵不同領域的知識及汲取經驗。

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4.4. Protection of Rights and Interests

Management guidelines and policies

The Group and its subsidiaries prohibit the employment of child labour. The Company does not employ any child labour and forced labour in any form. During recruitment, we would check the applicants' identity cards and other valid certificates for age verification. During the reporting period, the Group found no cases of child labour and forced labour.

4.4. 權益保障

管理方針及政策

本集團及其下的附屬公司均絕對禁止任何僱用童工的行為，公司亦不存在聘用童工及以任何形式對員工實行強制勞動的情況，在招聘過程中，我們會檢查應徵者的身份證等有效證明文件以作年齡查核。報告期間，本集團沒有發現使用童工和強制勞工的情況。

5. OPERATIONAL COMMITMENT

5.1. Supply Chain Management

Management guidelines and policies

In addition to proactively consolidating the internal management of sustainable development, the Group wishes to exert its influence within the supply chain to jointly contribute to sustainable development with suppliers, clients, and other stakeholders. We clearly set out our requirements and standards for society, environmental protection, and occupational health and safety in the bidding and procurement process, and establish effective mechanisms to ensure that both parties will act in strict accordance with laws and regulations.

5. 營運承擔

5.1. 供應鏈管理

管理方針及政策

本集團積極鞏固內部的可持續發展管理之餘，亦希望發揮在供應鏈內的影響力，與供應商、顧客及其他持份者共同為可持續發展作出貢獻。於招標及採購過程中清楚列明我們對社會、環保、職業健康及安全的要求和標準，並建立有效的機制以確保雙方嚴格按照法律及法規行事。

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Supplier selection criteria

The Group has established an internal policy to regulate the tendering and quoting process, which requires that detailed assessments must be performed on suppliers and contractors to ensure that they meet the Group's internal requirements; the policy covers suppliers' and contractors' past performance, labour rights, performance in occupational safety and health and environmental protection, financial position and business ethics. Moreover, all departments within the Group maintain close communication to monitor and ensure that the tendering and procurement process meets the standards and is fair and transparent.

Stringent regulation

The project management team of the Group would continuously monitor the skill and labour safety performance of the contractors, recording the relevant inspection results for follow up work. We would also hold regular meetings with contractors to review the quality and speed of work of the contractors. Furthermore, the Group has implemented environmental protection and occupational, safety and health guidelines for contractors. These include construction and engineering design, material selection, pollution control and other good practices. Additionally, the Group would instruct suppliers and contractors to provide training related to the operations of the Group's environmental management system.

供應商的挑選準則

本集團訂立了一套內部守則，規範公開招標和報價程序中對供應商及承包商須作詳細評估，確保其符合本集團內部要求；覆蓋範圍包括供應商及承建商過往表現、勞工權益、職安健及環保表現、財務狀況及商業道德等範疇。同時，集團內的各個部門會保持緊密溝通，以監察及確保招標和採購過程符合標準、公正公平和清晰透明。

嚴格監管

本集團的項目管理團隊會持續監察承建商在技術和勞工安全方面的表現，並會記錄相關巡查結果以作跟進，我們亦會定期與承建商進行會議，檢討承建商的工程質量及進度。另外，集團亦為承建商制定了環保及職安健指引，當中包括建築工程設計、挑選物料、污染控制等的良好作業。同時亦指示供應商及承建商提供相關於本集團環境管理體系運作的培訓。



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5.2. Quality Construction

Management guidelines and policies

The Group has always regarded the quality of products as the key to our business success. Therefore, we strive to provide customers with high-quality, healthy and safe foundation engineering in accordance with all applicable laws and regulations. We have in place a complete safety and quality management system which enables us to prevent major accidents and provide quality products and services to meet customer requirements. The Group has continuously obtained ISO 9001 Quality Management System Certification.

During the reporting period, there was no violation of laws and regulations on the health and safety of products and services, labelling, and privacy, and did not have any cases of product recall for safety or quality reasons and received no complaints.

Product safety

In order to ensure all piles meet relevant safety standards, we conduct product testing with specific and effective methods to make sure that our products meet quality and technical requirements. We have developed testing and inspection plans for different stages of the construction project, and run various appropriate tests on all piles in accordance with the relevant contractual provisions upon completion of projects; of which, quality control tests cover a wide range of areas, including inspection of the angle of inclination of the bored pile, the quality of concrete and fractures, the binding force between the concrete and rocks, and a series of incoming quality control to ensure the quality and safety of the product in all aspects. The Group would also provide customers the test reports of all piles to guarantee the stability of the pile structure.

5.2. 優質施工

管理方針及政策

本集團一直視產品的質量為我們的企業成功的命脈，故此我們致力遵照所有適用的法律法規，向其客戶提供優質、健康及安全的地基工程。我們擁有完善的安全及品質管理措施，能有效遏止重大事故的發生及能提供優質的產品及服務，從而滿足客的要求；而集團亦持續獲得ISO 9001的質量管理認證。

於報告期間，本集團並無任何違反產品和服務的健康與安全、廣告、標籤及私隱事宜的法律及規例，並沒有任何已因安全及質量理由而需作產品回收的個案或收到相關投訴。

產品安全

為確保所有樁柱達到有關的安全標準，我們會以明確的、有效的方法來進行產品的測試，保證產品符合品質及技術的要求。我們為承造項目不同階段制訂了各種檢驗及檢測計劃，並會於工程完成後按招相關合約規定對所有樁柱進行各種適用測試；當中的質量控制測試覆蓋範圍廣泛，包括檢查鑽孔樁傾角、混凝土質量和裂縫、混凝土與岩石的結合力和一系列的來料質量檢驗，以全面確保產品的質量及安全。本集團又會為客戶提供所有樁柱的測試報告以保證樁柱的結構安全。

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Customer service

We continue to raise the bar when it comes to customer service, so that we satisfy and exceed customers' expectations. During the reporting period, our United Christian Hospital site received commendation letters from customers to recognize the Group's philosophy of "customer-oriented" and "heart-felt caring service". In addition to serving with care, our product services also cover quality assurance after completion of the project. We would, in accordance with the relevant contract terms, be responsible for fixing any construction defects within the warranty period. Typically, the warranty period is within one year after the completion of the project. In addition, we set up different channels to communicate with customers and collect their feedback on products and services for review.

Privacy of consumer data

The Group focuses on information security and confidentiality and requires all employees to comply with policies and local regulation. The Group stands by the confidentiality clause in the signed contract with the customers, ensuring that the information and documents provided by the customers would be properly stored.

Advertising and Labelling

As a responsible company, the Group understands the importance of advertising and sales pitches. Accordingly, our business units strictly comply with all laws and self-discipline practices relating to the labelling and promotion of products and services. In addition, we regularly review management objectives to make sure that the publicity information is timely and accurate and complies with relevant laws and regulations.

客戶服務

持續提高顧客服務質素，滿足甚至超越顧客的期望，是本集團一直以來的目標。在報告期內，我們的聯合醫院地盤亦收到了來自客戶的表揚信，以肯定集團一直以來「以客為尊」及「用心服務」的宗旨。除了服務用心外，我們提供的產品服務更覆蓋至完工後的品質保證。我們會根據相關的合同條款負責在保固期內糾正施工缺陷，保固期一般為工程完工後一年。另外，我們設立不同的渠道與客戶溝通，收集他們對產品及服務的意見作檢討。

消費者資料的私隱保障

集團注重資訊安全和保密，所有員工均須遵守有關個人資料私隱的政策及香港私隱條例以保障客戶資料，集團堅守與客戶簽訂的合約內的保密條款，保證客戶所提供的訊息和文件得到妥善的保管。

廣告及標籤

作為一間負責任企業，集團深明廣告及銷售描述的重要性。因此，我們的業務單位均嚴格遵守所有有關產品和服務標籤及推廣的法規及自律守則。我們亦定期檢視管理方針，以確保宣傳資訊適時和準確，並符合相關法律和條例。

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5.3. Corporate Governance

Management guidelines and policies

Integrity and justice have always been the core values of the Group. We will not tolerate any form of corruption, including bribery and solicitation, fraud, and money laundering. As such, to create and maintain an ethical corporate culture, the Group has expressly formulated an effective code of conduct to ensure that employees act with integrity, impartiality, and honesty.

Preventive regulation

In order to prevent any conflict of interests, we have established interests, and employees should first make a statement to the board of directors through reporting channels. We have also formulated fair, open and impartial procedures for product or service procurement or tendering to inhibit any potential corruption. In addition, the Group employs independent auditors to audit the Group's financial statements, to ensure that the Group's accounts are correct and to strengthen financial oversight to protect the interests of shareholders.

Whistle-blowing procedures

As a part of anti-corruption measures, we have established a reporting system, and have developed relevant policies to effectively implement internal monitoring and risk management. The policies provide reporting guidelines and channels for employees, and helps increasing employees' alertness towards fraud, corruption and other misconduct.

Based on the above-mentioned monitoring and prevention measures, there were no cases of corruption involving either of the Company or individual employees during the reporting period, and no corruption was found.

5.3. 企業治理

管理方針及政策

本集團一直堅持以誠信、公正為核心價值觀。我們絕不容忍任何形式的貪污行為，包括賄賂及苛索、欺詐及洗錢。因此，為建立及維護合符道德的企業文化，本集團明確訂立了有效的行為守則，確保所有員工以正直、不偏不倚及誠實的態度行事。

防範監管

為防止有利益衝突，我們設有利益，員工應先通過匯報渠道向董事會作出聲明。我們亦制定有公平、公開及公正的產品或服務採購或招標程序，以杜絕所有潛在的貪污行為。同時，本集團聘用獨立審計師審核集團的財務賬目，確保本集團的賬目正確，並加強財務監督，從而保障股東的利益。

舉報程序

作為防止貪污措施的一部分，我們制定了《舉報政策》，並制定了相關政策以有效地實施內部監控和風險管理，政策為員工提供了舉報的指引及渠道，亦有助提高員工對欺詐、貪污等不當行為的警惕。

基於上述的監督防範措施，報告期間沒有發生對本公司或個別僱員提出有關貪污的訴訟案件，或發現任何貪污的行為。

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6. GIVING BACK TO SOCIETY

We are committed to creating sustainable prosperity for all stakeholders. The Group welcomes cooperation with community groups that share our corporate responsibility concept, and has responded to the social needs in culture, education and other aspects by supporting non-profit organizations through donation, sponsorship, and volunteer services.

7. AWARD AND ACHIEVEMENT

Award and achievement name

獎項／成就名稱

ISO 14001 Environmental Management System Certification
ISO 14001環境管理體系認證

ISO50001 Energy Management System Certification
ISO 50001能源管理體系認證

OHSAS 18001 Occupational Health and Safety Management System Certification
OHSAS 18001職業健康及安全管理體系認證

ISO 9001 Quality Management System Certification
ISO 9001 品質管理體系認證

April 2017, The Best Sub-Contractor of “Automatic Forms” Promotion Programme For April of 2017 (Liantang/Heung Yuen Wai Boundary Control Point Site Formation and Infrastructure Works – Contract 6)

2017年4月「表格自動波」獎勵計劃最佳分判參與獎
(蓮塘香園圍口岸土地平整及基礎建設工程 – 工程合約6)

6. 回饋社區

我們致力為所有持份者締造可持續繁榮的環境，本集團歡迎與我們的企業責任概念相似的社區團體合作，過去亦透過捐贈、贊助及以義工服務的形式支援非牟利團體，以響應文化、教育及其他方面之社會需要。

7. 獎項及成就

Issued by

頒發機構

SGS Hong Kong Limited
香港通用檢測認證有限公司

DW Certification Limited
環信認證有限公司

SGS Hong Kong Limited
香港通用檢測認證有限公司

SGS Hong Kong Limited
香港通用檢測認證有限公司

CRBC-CEC-KADEN Joint Venture

中國路橋—大陸工程—基利聯營

Environmental, Social and Governance Report

環境、社會及管治報告

8. SUSTAINABILITY PERFORMANCE OVERVIEW

8. 可持續數據表現概要

ENVIRONMENT

環境

Polluting emissions

污染排放物

Unit

單位

Solid waste

固體廢棄物

Hazardous waste

kg

0.00

有害廢棄物

公斤

Hazardous waste intensity

kg/per cubic metre of concrete

N/A

有害廢棄物密度

公斤／每立方米混凝土

不適用

Non-hazardous waste

tonnes

69,775.72

無害廢棄物

公噸

Non-hazardous waste intensity

tonnes/per cubic metre of concrete

2.76

無害廢棄物密度

公噸／每立方米混凝土

Greenhouse gas emission and intensity

溫室氣體排放量及密度

Total greenhouse gas emissions

tCO₂-e

8,419.36

溫室氣體排放總量

公噸二氧化碳當量

Direct emission

tCO₂-e

8,419.00

直接排放

公噸二氧化碳當量

Energy-related indirect emissions

tCO₂-e

0.36

能源間接排放

公噸二氧化碳當量

Emission Intensity

tonnes/per cubic metre of concrete

0.33

排放密度

公噸二氧化碳當量／每立方米混凝土

Environmental, Social and Governance Report

環境、社會及管治報告

ENVIRONMENT

環境

Polluting emissions

污染排放物

Unit

單位

Energy use

能源使用

Power purchased ¹	mWh	670.79
購買的電力 ¹	兆瓦時	
Power use intensity	mWh/employee ²	22.36
用電密度	兆瓦時／每名員工 ²	
Gasoline	litres	19,805.52
汽油	公升	
Gasoline use intensity	litre/per cubic metre of concrete	0.78
汽油使用密度	公升／每立方米混凝土	
Diesel	litres	3,017,404.16
柴油	公升	
Diesel use intensity	litre/per cubic metre of concrete	119.48
柴油使用密度	公升／每立方米混凝土	
Water	cubic metres	3,441.00
水	立方米	
Water use intensity	cubic metres/per cubic metre of concrete	0.14
用水密度	立方米／每立方米混凝土	

Notes:

備註：

- 1: As the power use on construction sites is provided by main contractors of the sites, only the power use of the Hong Kong office is contained
- 2: As the data includes only power use of the Hong Kong office, the number of employees in the Hong Kong office is used for the calculation of intensity

- 1: 由於工地的用電量由地盤總承建商提供，故此只包含香港辦公室的用電量
- 2: 由於數據只包含香港辦公室的用電量，故此使用香港辦公室員工總人數作為密度計算

Environmental, Social and Governance Report

環境、社會及管治報告

9. HONG KONG STOCK EXCHANGE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX

ESG Reporting Guide Subject Areas/Aspects/"
Comply or Explain" Provisions
ESG報告指引主要範疇／層面／不遵守就解釋條文

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A. 環境

Aspect A1: Emissions

層面A1：排放物

Aspect A2: Use of Resources

層面A2：資源使用

Aspect A3: The Environment and Natural Resources

層面A3：環境及天然資源

B. Society

B. 社會

Employment and Labour Practices

僱傭及勞工常規

Aspect B1: Employment

層面B1：僱傭

Aspect B2: Health and Safety

層面B2：健康與安全

Aspect B3: Development and Training

層面B3：發展及培訓

Aspect B4: Labour Standards

層面B4：勞工準則

Operating Practices

營運慣例

Aspect B5: Supply Chain Management

層面B5：供應鏈管理

Aspect B6: Product Responsibility

層面B6：產品責任

Aspect B7: Anti-Corruption

層面B7：反貪污

Community

社區

Aspect B8: Community Investment

層面B8：社區投資

9. 香港聯交所環境、社會及管治報告 指引索引

ESG Reporting Guide Chapter
ESG 報告章節

3.1.1 Pollution Control

3.1.1 污染控制

3.1.2 Making Good Use of Resources

3.1.2 善用資源

3.1.3 Green Operations

3.1.3 綠色營運

3.2.1 Equal Employment

3.2.1 平等僱傭

3.2.2 Occupational Health and Safety

3.2.2 職業健康與安全

3.2.3 Training and Development

3.2.3 培訓發展

3.2.4 Protection of Rights and Interests

3.2.4 權益保障

3.3.1 Supply Chain Management

3.3.1 供應鏈管理

3.3.2 High-quality construction

3.3.2 優質施工

3.3.3 Corporate Governance

3.3.3 企業治理

3.4. Giving Back to Society

3.4. 回饋社區

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining a high standard of corporate governance, and strives to maintain transparent and responsible management practices that will create long term value for the interests of shareholders. The Board will continuously review and improve the Group's corporate governance practices, and maintaining a high standard of business ethics across the organisation.

The Company had complied with all the code provisions set out in the Corporate Governance Code ("CG Code") under Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31 March 2018.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules. Having made specific enquiry with all directors, the directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 March 2018.

As required under the CG Code, the Board has established guidelines no less exacting than the Model Code for relevant employees in respect of their dealings in the securities of the Company.

企業管治常規

董事會致力維持高水平的企業管治，並努力保持透明及負責任的管理常規，從而為股東利益創造長期價值。董事會將不斷檢討及改善本集團的企業管治常規，並在整個組織內維持高水平的商業道德。

本公司於截至2018年3月31日止年度一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載的企業管治守則（「企業管治守則」）的所有守則條文。

董事進行的證券交易

本公司已採納上市規則附錄10所載《上市發行人董事進行證券交易的標準守則》（「標準守則」）。經向全體董事作出具體查詢，董事確認彼等於截至2018年3月31日止年度一直遵守標準守則所載的規定準則。

根據企業管治守則規定，董事會須就有關僱員買賣本公司證券事宜制定指引，指引內容應該不比標準守則寬鬆。



Corporate Governance Report

企業管治報告

THE BOARD

The primary role of the Board is to protect and enhance long term shareholders' value. The Board oversees the management, business, strategies and financial performance of the Group. It also ensures that good corporate governance policies and practices are implemented within the Group. In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. The management is responsible for execution of the strategies in the Group's daily operations and implementation of the risk management and internal control systems.

The Board currently comprises 7 members whose biographies and family relations are set out in the "Profile of Directors and Senior Management" section on pages 54 to 57 in this annual report. The posts of Chairman and Chief Executive Officer of the Company are separately held by Mr. Lau Chun Ming and Mr. Lau Chun Kwok, respectively, to maintain an segregation of duties between the Chairman's responsibility to manage the Board and the Chief Executive Officer's responsibility to manage the Group's business and oversee the management. The directors bring a good balance of skills and experience to the Company. The independent non-executive directors serve the relevant function of bringing independent judgment on the development, performance and risk management of the Group. The directors have been made fully aware of their collective and individual responsibilities to shareholders.

The executive directors have entered into service contracts with the Company and each of the independent non-executive directors has been appointed on specific term of three years. Notwithstanding the specific term of appointments, the articles of association of the Company provides that every director shall be subject to retirement at an annual general meeting at least once every three years. At each annual general meeting, one-third of the directors for the time will retire from office by rotation and being eligible for re-election by the shareholders.

董事會

董事會的主要職責為保護及提升股東長期價值。董事會負責監督本集團的管理、業務、策略及財務表現。董事會亦確保良好的企業管治政策及常規得以於本集團內實施。在履行職責的過程中，董事真誠、盡職及謹慎，及以本公司及其股東的最佳利益行事。管理層負責於本集團的日常營運中執行策略及實施風險管理及內部監控系統。

董事會現時包括七名成員，其履歷及家族關係載於本年報第54至第57頁「董事及高級管理層履歷」一節。本公司主席及行政總裁職位分別由劉振明先生及劉振國先生擔任，主席負責管理董事會而行政總裁負責管理本集團業務及監督管理層，以維持職責之間的分工。董事為本公司帶來均衡的技能及經驗。獨立非執行董事負責就本集團的發展、表現及風險管理作出獨立判斷等相關職能。董事已充分認識到彼等共同及個人對股東的責任。

執行董事已與本公司訂立服務合約，而各獨立非執行董事已獲委任三年指定任期。儘管委任以指定任期，惟本公司組織章程細則規定，每名董事須至少每三年一次於股東週年大會上退任。於每屆股東週年大會上，三分之一的時任董事將輪值退任並合資格接受股東重選連任。

Corporate Governance Report

企業管治報告

Board meetings

The Board held six meetings during the year ended 31 March 2018, at approximately quarterly intervals. All directors attended these meetings, at which business development, investment strategies, financial performance and potential risks relating to the daily operations of the Group, were discussed.

Directors' induction and development

In the year ended 31 March 2018, all directors complied with the provision of the CG Code in relation to continuous professional development and submitted their training records to the Company. In doing so, the directors have undertaken various forms of activities that have included attending a presentations given by external professional advisors, and reading materials relevant to the Company's business, directors' duties and responsibilities. The Company held a training for regulatory and compliance update for all directors during the year and intended to arrange another training for them to refresh their knowledge in the forthcoming year.

BOARD COMMITTEES

The Board has established certain Board committees to oversee specific aspects of the Company's affairs and help it in the execution of its responsibilities. These committees each have specific written terms of reference which clearly outline the committees' authority and duties, and which require the committees to report back on their decisions or recommendations to the Board.

董事會會議

截至2018年3月31日止年度，董事會曾舉行六次會議，約每季舉行一次。全體董事均有出席會議，並在會上討論業務發展、投資策略、財務表現及有關本集團日常營運的潛在風險。

董事就任及發展

截至2018年3月31日止年度，全體董事均遵守有關持續專業發展的企業管治守則條文，並向本公司提交培訓記錄。為此，董事已參與各項活動，包括出席外部專業顧問發表的簡報會以及閱覽與本公司業務、董事職務及職責有關的資料。本公司於年內為全體董事舉行監管及合規更新培訓，並擬於來年為彼等安排其他培訓，以更新彼等的知識。

董事委員會

董事會已成立若干董事委員會，監察本公司事務特定範疇，並協助其履行職責。該等委員會各自訂有特定的書面職權範圍，當中清晰界定委員會權力及職務，並規定委員會向董事會匯報其決策或建議。



Corporate Governance Report

企業管治報告

Audit Committee

The audit committee is responsible for the engagement of external auditor, review of the Group's financial information and oversight of the Group's financial reporting system, internal control procedures and risk management system. It is made up of three independent non-executive directors including Mr. Ip Tin Chee, Arnold (chairman), Professor Wong Sue Cheun, Roderick and Mr. Chu Tak Sum.

The audit committee held two meetings during the year ended 31 March 2018, which was attended by all of its members, to review, among other matters, the consolidated financial statements, internal control review report and continuing connected transactions of the Group for the year ended 31 March 2017, and have a private meeting with external auditor without the presence of the management; and the unaudited interim financial statements of the Group for the six months ended 30 September 2017.

Nomination Committee

The nomination committee held one meeting during the year which was attended by all of its members. It is responsible for annually reviewing the structure, size and composition of the Board (including its mix of skills, knowledge and experience), making recommendations on proposed changes to the Board to complement the Company's corporate strategy, making recommendations to the Board on the appointment or re-appointment of directors, and assessing the independence of independent non-executive directors. It also oversees the implementation of the Company's policy on diversity of directors. It is made up of four members including Professor Wong Sue Cheun, Roderick (chairman), Mr. Chu Tak Sum, Mr. Ip Tin Chee, Arnold, being independent non-executive directors, and Mr. Lau Chun Ming, an executive director.

審核委員會

審核委員會負責聘用外聘核數師、審閱本集團財務資料、監督本集團財務報告系統、內部監控程序及風險管理系統。其由三名獨立非執行董事組成，包括葉天賜先生(主席)、王世全教授及朱德森先生。

審核委員會於截至2018年3月31日止年度舉行了兩次會議，全體成員均出席，以審閱(其中包括)本集團截至2017年3月31日止年度的綜合財務報表及內部監控審閱報告以及持續關連交易，並在無管理層出席的情況下與外聘核數師舉行了一次私人會議；及審閱本集團截至2017年9月30止六個月的未經審核中期財務報表。

提名委員會

提名委員會於年內舉行了一次會議，全體成員均有出席。其負責檢討董事會的架構、規模及組成(包括技能、知識及經驗的組合)；就建議變動向董事會提出建議，與本公司企業策略相輔相成；就委任或重新委任董事向董事會提出建議；及評估獨立非執行董事的獨立性。提名委員會亦負責監察本公司書面政策的實施情況，確保董事人選具備多元性。提名委員會由四名成員組成，包括獨立非執行董事王世全教授(主席)、朱德森先生及葉天賜先生以及執行董事劉振明先生。

Corporate Governance Report

企業管治報告

The Company has a diversity policy of Board members. Under this policy, the diversity of the Board is considered in terms of factors such as gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments are based on merit, and candidates are considered against various objective criteria, with due regard for the benefits of diversity on the Board.

Remuneration Committee

The remuneration committee held one meeting during the year which was attended by all of its members. It is responsible for making recommendations to the Board on the Company's policy and structure for the remuneration of all the directors and senior management of the Group and on the establishment of a formal and transparent procedure for developing remuneration policy for approval by the Board. It is made up of four members including Mr. Chu Tak Sum (chairman), Professor Wong Sue Cheun, Roderick, Mr. Ip Tin Chee, Arnold, being independent non-executive directors, and Mr. Lau Chun Ming, an executive director.

In determining the remuneration of the Directors and the senior management, the Remuneration Committee would consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and the senior management, performance and contributions of the Directors and the senior management and the change in market conditions. Details of the remuneration paid to the directors and the other five highest paid employees are set out in notes 29(a) and 7(c), respectively, to the consolidated financial statements.

本公司設有有關董事會成員多元化的政策。在該政策下，董事會成員多元化考慮到性別、年齡、文化與教育背景、種族、專業經驗、技能、知識及服務年資等因素。董事會所有委任均以用人唯才為原則，並在考慮人選時以多方面的客觀條件充分顧及董事會成員多元化的裨益。

薪酬委員會

薪酬委員會於年內舉行了一次會議，全體成員均有出席。其負責就本集團全體董事及高級管理層的薪酬政策及結構，以及為薪酬政策的發展制訂正式及透明的程序，向董事會提供推薦建議以供其批准。薪酬委員會由四名成員組成，包括獨立非執行董事朱德森先生（主席）、王世全教授及葉天賜先生以及執行董事劉振明先生。

於釐定董事及高級管理層的薪酬時，薪酬委員會將考慮多項因素，如可資比較公司支付的薪金、董事及高級管理層付出的時間及職責、董事及高級管理層的表現及貢獻以及市況變動等。有關支付予董事及其他五名最高薪僱員的薪酬的詳情分別載於綜合財務報表附註29(a)及7(c)。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for maintaining an adequate risk management and internal control systems to safeguard shareholders' investments and the Group's assets, and reviewing their effectiveness of annually through the audit committee. The audit committee reports to the Board on any material issues and makes recommendations to the Board.

The Group has maintained an operation manual, which provides a comprehensive internal control guidance and procedures on the Group's operational cycles relating to revenue, purchase and expenditure, inventory and human resources etc., to ensure proper accounting records are kept so that reliable financial reporting can be provided, effectiveness and efficiency of operation can be achieved, compliance with applicable laws and regulations and safeguarding of assets can be maintained. These procedures, together with the Company's compliance manual, have also shaped the control environment at which and how the Group operates in, including the budgeting controls, investment decision making, risk assessment and practices of corporate governance. These systems are designed to provide reasonable, but not absolute, assurance and protection against errors, losses and fraud.

The Company does not establish a standalone internal audit department, however, the Board has put in place adequate measures to perform the internal audit function at different aspects of the Group which are discussed below.

The Company has appointed an internal control adviser to conduct annual review on the risk management and internal control system of the Group for the year and reported their findings and recommendations to the audit committee and the Board. It is designed to review the effectiveness of the Group's material internal controls so as to provide assurance that key internal control measures are carried out appropriately and are functioning as intended. During the year, fixed assets, human resources, treasury, financing and investment cycles were reviewed and found that adequate controls are in place.

風險管理及內部監控

董事會負責維持充分的風險管理及內部監控制度以保障股東投資及本集團資產，並透過審核委員會每年檢討其成效。審核委員會會向董事會匯報任何重大事宜及提出建議。

本公司維持一份營運手冊，訂明與收入、採購及開支、存貨及人力資源等有關方面之營運週期之全面內部監控指引及程序，確保存置適當會計記錄，以致能夠提供可靠財務報告，達致營運效率與效益以及能夠維持遵守適用法律及法例，並保護資產。該等程序加上本公司之合規手冊，亦塑造了本集團在預算控制、投資決策、風險評估及企業管治常規等方面的控制環境，供本集團操作及依循。該等體系指在提供防止錯誤、遺失及欺詐的合理（但並非絕對）保證及保障。

本公司並無設立獨立內部審核部門，然而，董事會已經實施充足的措施，從本集團不同方面履行內部審核職能，有關情況討論如下。

本公司已委任一名內部監控顧問對本集團於本年度之風險管理及內部監控系統進行年度審閱，並向審核委員會報告彼等之調查發現及推薦意見。有關審計的目的是檢討本集團重大內部監控之效率，從而保證主要內部監控措施適當進行及發揮擬定作用。於本年度內，固定資產、人力資源、庫務、融資及投資週期均已獲審查，並發現所有控制均已充份到位。

Corporate Governance Report

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For the foundation works business, the Group has to comply respective requirements and pass the regular reviews in order to retain its listing in the Development Bureau Specialist List (Group II) in large diameter bored pile (with bell-out), the Housing Authority List of Piling Contractors (large diameter bored piling category) Probation and the Buildings Department Registered Specialist Contractor – Foundation Category. The Group has also implemented a management system in accordance with the requirements under ISO 9001, ISO 14001, ISO 50001 and OHSAS 18001 to ensure that the Group's services meet the requisite health and safety, quality and environmental requirements. During the year, the Group passed the audits conducted by external consultants and renewed these certificates. Upon completion of pile construction, the Group is required to engage external professionals to conduct various applicable tests on all piles based on the relevant contractual requirements and ensure full compliance with customer requirements. Subject to these piling records available to the customers for their testing and inspection, the authorised persons employed by the customers certify the value of the works completed in the payment certificates issued to the Group. Therefore, stringent on-going controls and monitoring systems have already been embedded in the daily operations of the foundation works business.

The executive directors held monthly meetings with senior management to review and monitor the business and financial performance against the targets, the progress of certification and contract receipts from the customers, the efficiency in the use of the Group's resources in comparison to the budgets, and the operational matters to ensure the Group has complied with the regulations that have material impact to the Group's business. The aim is to enhance the communication and accountability of the directors and management so that significant strategic, financial, operational and compliance risks or potential deviations are timely identified and dealt with in a proper manner, while significant issues are reported back to the Board for their attention. The Company also compiles monthly reports to the Board (including independent non-executive directors) to update the latest financial performance, position and prospects of the Group.

至於地基工程業務，本集團須遵守相關規定及通過定期檢討以維持名列於發展局大直徑鑽孔擴底樁專門承建商名冊（第II組）、房屋委員會打樁承建商名冊（大口徑鑽孔樁工程類）—試用以及屋宇署註冊專門承建商—地基類別。本集團亦根據ISO 9001、ISO 14001、ISO 50001及OHSAS 18001的要求執行管理系統，以確保本集團服務符合必要的衛生及安全、質量及環境規定。於本年度內，本集團通過外部顧問進行之審核，並重續該等證書。完成樁柱建造工程後，本集團須委託外部專家根據相關合約的規定對所有樁柱進行各種適用測試，並確保全面符合客戶要求。該等打樁記錄須供客戶測試及檢驗，而由客戶聘用的獲授權人士會在發給本集團的付款證書中確認已完成工程的價值。因此，嚴格的持續控制及監察系統經已植入地基工程業務的日常運作當中。

執行董事每月均會與高級管理層舉行會議，以審閱及監察業務及財務表現對比預期目標的進度、自客戶獲取證書及合約的進度、本集團資源的運用的效率與預算對比，以及營運方面的事務，以確保遵守對本集團業務有重大影響的監管規定。此舉旨在增強董事與管理層的溝通與問責，從而令重大策略、財政、營運及合規風險或潛在偏離狀況得以及時辨識，並以適當方式處理，而重大事項則向董事會匯報。本公司亦為董事會（包括獨立非執行董事）編撰每月報告，以更新本集團最新財務表現、狀況及前景。

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The Company also has a policy for disclosure of inside information. While any potential inside information will be escalated to the executive meetings or the Board via the established reporting channels, the directors will assess and determine if inside information of the Company exists where timely disclosure is required to be made by an announcement published on the Stock Exchange website. On the other hand, in order to enhance the communication with the market, the Company will publish voluntary announcements to update the public on the latest development of the Group's business to enhance the transparency of the Company, whenever practicable.

The Board reviewed the effectiveness of the Group's risk management and internal control system at its Board meeting on 26 June 2018, including its financial, operational and compliance controls, and its risk management functions. The Board's review included a consideration of the internal control evaluations conducted by the executive management, the findings of the external auditors during the annual audit and the internal control review reported by an internal control adviser engaged by the Company. There was no material fraud or errors came to the attention of the Board from all these sources. Therefore, the Board was satisfied that the risk management and internal control systems were in place and implemented effectively during the year without significant weakness identified.

AUDITOR'S REMUNERATION

Total auditors' remuneration for year ended 31 March 2018 in relation to statutory audit work of the Group amounted to HK\$1.5 million (2017: HK\$1.5 million), of which a sum of HK\$1.2 million (2017: HK\$1.2 million) is paid or payable to PricewaterhouseCoopers, independent auditor of the Company, in respect of the audit services related to the audit for the year ended 31 March 2018.

本公司亦制定披露內幕消息的政策。任何潛在內幕消息將會透過既定的申報渠道傳遞到執行會議或董事會，董事將評估及釐定本公司是否存在內幕消息，並按規定須於聯交所網站上發表公告作及時披露。另一方面，為增強市場資訊溝通，本公司將會自願刊發公佈，向公眾人士更新本集團業務的最新發展，在可行情況下增加透明度。

董事會曾於2018年6月26日舉行之董事會會議上檢討本集團風險管理及內部監控（包括財務、營運及合規控制以及風險管理職能）系統的效率。董事會的檢討包括考慮由執行管理人員進行的內部監控評估、外部核數師在年度審核中的發現以及本公司委託內部監控顧問編製的內部監控檢討報告。董事會從所有該等資料中未有發現重大欺詐或錯誤。因此，董事會信納風險管理及內部監控系統在本年度內均已準備就緒及獲有效推行，而並無辨識重大弱點。

核數師酬金

於截至2018年3月31日止年度，就有關本集團法定審核工作之核數師酬金合共為1,500,000港元（2017年：1,500,000元），其中1,200,000港元（2017年：1,200,000港元）乃就截至2018年3月31日止年度審核服務而已付或應付予本公司獨立核數師羅兵咸永道會計師事務所。

Corporate Governance Report

企業管治報告

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for the preparation of financial statements which give a true and fair view of the state of affairs of the Group. In preparing the financial statements which give a true and fair view, it is fundamental that appropriate accounting policies are selected and applied consistently. The reporting responsibilities of the Company's external auditor on the consolidated financial statements of the Group are set out in the independent auditor's report on pages 70 to 80 of this annual report. The directors were 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.

COMPANY SECRETARY

The Company's company secretary Mr. Chan Sun Kwong coordinates the supply of information to the directors and is the primary contact person within the Company for all matters relating to the duties and responsibilities of the company secretary. All directors have access to the company secretary to ensure that board procedures and all applicable laws, rules and regulations are followed. During the year, he had taken no less than 15 hours relevant professional training as required under Rule 3.29 of the Listing Rules. Please refer to his biographical details which are set out on page 57 of this annual report.

董事及核數師編製財務報表之責任

董事知悉彼等就編製真實與公平反映本集團狀況之財務報表須承擔責任。在編製該等真實與公平之財務報表時，必須選取及貫徹採用合適的會計政策。本公司外聘核數師對本集團綜合財務報表之呈報責任載於本年報第70至80頁之獨立核數師報告。董事所知，並無有關任何事件或情況的重大不明朗因素可能對本集團持續經營的能力產生重大疑問。

公司秘書

本公司之公司秘書陳晨光先生負責協調向董事提供資料，並為就涉及公司秘書職務及職責的一切事宜擔任本公司主要聯絡人。所有董事均可獲公司秘書提供意見及服務，確保能夠遵守董事會程序及所有適用法律、規則及規例。年內，公司秘書按上市規則第3.29條規定參加不少於15個小時的相關專業培訓。有關公司秘書的履歷請參閱本年報第57頁。



Corporate Governance Report

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SHAREHOLDERS' RIGHTS

We endeavour to ensure that shareholders are treated fairly and are able to exercise their shareholders' rights effectively. Shareholders are entitled by the articles of association of the Company and are also encouraged to participate in the Company's general meetings or appoint proxies to attend and vote. Shareholder(s) holding not less than 10% of the Company's paid-up capital may request the Board to convene an extraordinary general meeting and put forward proposals. Such requisition shall be made in writing to the Board or the company secretary for the such purpose and specify the transaction of any business to propose in such meeting.

If a shareholder wishes to nominate a person for election as director in a general meeting, the particulars of the candidate must be stated in a nomination notice signed and deposited together with a notice of willingness signed by the candidate to the company secretary at the Company's headquarters or at the Registration Office (Tricor Investor Services Ltd., Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong) of the Company. The notice should be given at least seven days prior to the date of such general meeting.

There was no amendment made to the constitutional documents of the Company during the year ended 31 March 2018.

股東權利

我們致力確保股東獲公平對待，且彼等可有效行使其股東權利。組織章程細則賦予股東權利且鼓勵股東親身或委派代表出席股東大會並於會上投票。持有不少於本公司10%已繳足股本的股東可要求董事會召開股東特別大會並提呈動議。有關請求必須以書面向董事會或公司秘書作出，並註明將於該大會上提呈之任何事務。

股東如欲於股東大會上提名任何人士出選董事，則須將載有候選人詳細資料的經簽署提名通知書連同經候選人簽署的候選同意書，交予本公司總部送呈公司秘書或送交本公司登記處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。通知書須於有關股東大會日期前最少七天發出。

本公司憲制文件於截至2018年3月31日止年度並無任何修訂。

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企業管治報告

INVESTOR RELATIONS

We are committed to maintaining effective and timely dissemination of the Group's information to its shareholders and the market. We have established a shareholders' communication policy which emphasises the importance of regular communication to the shareholders and the market to ensure they have the available information reasonably required to make informed assessments of the Group's strategy, operations and financial performance. The annual shareholders' meetings and other shareholders' meetings of the Company are the primary forum for communication by the Company with its shareholders and for shareholder participation. In addition, the Company's website (www.samwoo-group.com) contains extensive company information which is easily accessible.

投資者關係

本公司致力於保持向其股東及市場有效及時地傳達本公司資料。我們設立了股東溝通政策，強調與股東及市場定期溝通的重要性，以確保他們取得合理所需資料以達致對本集團政策、營運及財務表現的知情評估。本公司之股東週年大會及其他股東大會乃本公司與股東間溝通之主要平台，亦供股東參與。此外，本公司網站 (www.samwoo-group.com) 載有豐富的公司資料，方便瀏覽。



Profile of Directors and Senior Management

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Lau Chun Ming, aged 75, is an executive director, the Chairman and founder of the Group. He is also a director of various subsidiaries within the Group. Mr. Lau is responsible for the overall strategic planning and business development of the Group, overseeing the tendering and quotation process, research and development and formulation of overall corporate policies of the Group. Mr. Lau has been involved in the foundation works business since 1990. He is a brother of Mr. Lau Chun Kwok and Mr. Lau Chun Ka, the spouse of Ms. Leung Lai So and the father of Ms. Lau Pui Shan.

Mr. Lau Chun Kwok, aged 66, is the chief executive officer and an executive director. He is also a director of various subsidiaries within the Group. He joined the Group in the 1970s. He is responsible for the overall management of foundation works and ancillary services projects of the Group. He has been involved in the foundation works business since 1990. He is the brother of Mr. Lau Chun Ming and Mr. Lau Chun Ka, brother-in-law of Ms. Leung Lai So and uncle of Ms. Lau Pui Shan.

Mr. Lau Chun Ka, aged 64, is an executive director. He is also a director of various subsidiaries within the Group. He joined the Group in the 1970s. He is responsible for the overall management of maintenance and repair of machinery and equipment of the Group. He has been involved in the foundation works business since 1990. He is the brother of Mr. Lau Chun Ming and Mr. Lau Chun Kwok, brother-in-law of Ms. Leung Lai So and uncle of Ms. Lau Pui Shan.

Ms. Leung Lai So, aged 71, is an executive director. She is also a director of various subsidiaries within the Group. She joined the Group in the 1970s. She is responsible for the administrative and human resources management of the Group. She obtained a diploma in smaller company management from the Chinese University of Hong Kong in July 1997. She is the spouse of Mr. Lau Chun Ming, mother of Ms. Lau Pui Shan and sister-in-law of Mr. Lau Chun Kwok and Mr. Lau Chun Ka.

執行董事

劉振明先生，75歲，本集團執行董事、主席兼創辦人。彼亦為本集團多間附屬公司的董事。劉先生負責本集團整體策略規劃及業務發展、監督投標及報價過程、研發及制訂整體公司政策。劉先生自1990年起參與地基工程業務。彼為劉振國先生及劉振家先生的胞兄、梁麗蘇女士的配偶以及劉沛珊女士的父親。

劉振國先生，66歲，本集團行政總裁兼執行董事。彼亦為本集團多間附屬公司的董事。彼於七十年代加盟本集團。彼負責本集團地基工程及附屬服務項目的整體管理。彼自1990年起參與地基工程業務。彼為劉振明先生及劉振家先生的兄弟、梁麗蘇女士的小叔及劉沛珊女士的叔叔。

劉振家先生，64歲，執行董事。彼亦為本集團多間附屬公司的董事。彼於七十年代加盟本集團，負責本集團機械及設備保養維修的整體管理。彼自1990年起參與地基工程業務。彼為劉振明先生及劉振國先生的胞弟、梁麗蘇女士的小叔及劉沛珊女士的叔叔。

梁麗蘇女士，71歲，執行董事。彼亦為本集團多間附屬公司的董事。彼於七十年代加盟本集團。彼負責本集團的行政管理及人力資源管理。彼於1997年7月取得香港中文大學小型公司管理學文憑。彼為劉振明先生的配偶、劉沛珊女士的母親及劉振國先生及劉振家先生的嫂嫂。

Profile of Directors and Senior Management

董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor Wong Sue Cheun, Roderick, aged 73, was appointed as an independent non-executive director of the Company in September 2014. Professor Wong holds a bachelor's degree of arts from San Diego State College in the United States of America, and a doctoral's degree in mathematics from the University of Alberta in Canada. He is a Fellow of the Royal Society of Canada, and Chevalier dans l'Ordre National de la Légion d'Honneur of France, and elected as a member of the European Academy of Sciences. Currently, he is Chair Professor of Mathematics and the Director of the Liu Bie Ju Centre for Mathematical Sciences at City University of Hong Kong. He is also the Special Advisor to the President at Southern University of Science and Technology of China.

Mr. Chu Tak Sum, aged 70, was appointed as an independent non-executive director of the Company in September 2014. Mr. Chu is a registered architect in Hong Kong under the provisions of the Architects Registration Ordinance (Cap. 408 of the Laws of Hong Kong) and has been engaged as an architect for about 42 years. Mr. Chu obtained a bachelor's degree of arts in architecture studies from The University of Hong Kong in 1971. He is also a fellow member of the Hong Kong Institute of Architects and holds Class 1 Registered Architect qualification of the PRC. Mr. Chu is currently the managing director of T.S. Chu Architects Limited. He had been an independent non-executive director of Henry Group Holdings Limited (stock code: 859) until February 2018.

Mr. Ip Tin Chee, Arnold, aged 55, was appointed as an independent non-executive director of the Company in September 2014. Mr. Ip obtained a Master of Arts degree from Trinity College, Cambridge University. Mr. Ip is chairman of Altus Holdings Limited (stock code: 8149), which group companies focus on providing corporate finance services to listed and unlisted companies in Hong Kong, as well as property investments.

獨立非執行董事

王世全教授，73歲，於2014年9月獲委任為本公司獨立非執行董事。王教授持有美國聖地牙哥州立大學的文學學士學位及加拿大阿爾伯塔大學的數學博士學位。彼為加拿大皇家學院院士，以及獲法國政府頒授法國國家榮譽軍團勳章，並獲選為歐洲科學院院士。現時，彼為香港城市大學數學系講座教授及劉璧如數學科學研究中心的中心主任，並在深圳南方科技大學擔任校長特別顧問。

朱德森先生，70歲，於2014年9月獲委任為本公司獨立非執行董事。朱先生為香港法例第408章《建築師註冊條例》所指的香港註冊建築師，並擔任建築師約42年。朱先生於1971年取得香港大學建築學文學士學位。彼亦為香港建築師學會會員及持有中國一級註冊建築師資格。朱先生現為朱德森建築師事務所的常務董事，並曾任鎮科集團控股有限公司（股份代號：859）的獨立非執行董事至2018年2月。

葉天賜先生，55歲，於2014年9月獲委任為本公司獨立非執行董事。葉先生在劍橋大學三一學院取得文學士碩士學位。葉先生為浩德控股有限公司（股份代號：8149）主席，其集團公司專注向香港上市及非上市公司提供企業融資服務以及物業投資業務。

Profile of Directors and Senior Management

董事及高級管理層履歷

Mr. Ip is an independent non-executive director of Pioneer Global Group Limited (stock code: 224), Pak Fah Yeow International Limited (stock code: 239), and Icicle Group Holdings Limited (stock code: 8429) each of which is a company listed on Stock Exchange. Mr. Ip worked for Standard Chartered Asia Limited and was a director of Yuanta Securities (Hong Kong) Limited thereafter until January 2001, specializing in a range of corporate finance and advisory activities for companies based in Hong Kong and China. From 1984 to 1988, he worked at Arthur Andersen & Co in London specializing in taxation and qualified as a Chartered Accountant in 1988.

SENIOR MANAGEMENT

Mr. Wu Kwai Keung, Peter, aged 63, is the Deputy General Manager of the foundation division. He is responsible for the business development, tendering and overall management of the foundation works and ancillary services projects of the Group. He obtained a master degree in arbitration & dispute resolution from City University of Hong Kong in 2003. He has more than 35 years of experience in the construction industry both locally and abroad. He is a member of the Institution of Civil Engineers and Hong Kong Institution of Engineers.

Mr. Kwok Kan Kuen, Lawrence, aged 54, is a project manager of the foundation division. He is responsible for the supervision of the related foundation projects of the Group. Prior to joining the Group in July 2012, he has over 20 years of experience in the engineering field. He obtained a bachelor's degree in civil engineering from the Chu Hai College in 1987 and a master's degree of science in international construction management and engineering from the University of Leeds in the United Kingdom in 1994. He is currently a registered professional engineer under the Engineer Registration Ordinance (Cap. 409 of the Laws of Hong Kong) and a member of each of the Institution of Civil Engineers of the United Kingdom and the Hong Kong Institution of Engineers, respectively.

葉先生為聯交所主板上市公司建生國際集團有限公司(股份代號：224)、白花油國際有限公司(股份代號：239)及冰雪集團控股有限公司(股份代號：8429)的獨立非執行董事。葉先生曾於渣打(亞洲)有限公司任職，及後直至2001年1月為元大證券(香港)有限公司之董事，專注於中港兩地多間公司各類企業財務及顧問業務。由1984年至1988年，葉先生於倫敦之安達信公司任職，專門從事稅務工作，並於1988年獲得特許會計師資格。

高級管理層

胡季強先生，63歲，為地基部的副總經理。彼負責本集團地基工程及附屬服務項目的業務發展、投標及整體管理工作。於2003年，彼獲得香港城市大學仲裁及爭議解決學碩士學位。彼於建造行業擁有超過35年本地及海外經驗。彼為英國土木工程師學會及香港工程師學會會員。

郭根權先生，54歲，地基部的項目經理，負責監督本集團的相關地基項目。彼於2012年7月加盟本集團之前，已於工程領域累積逾20年的經驗。郭先生於1987年取得珠海學院土木工程學士學位及於1994年取得英國利茲大學的國際建築管理與工程學碩士學位。郭先生現時為香港法例第409章《工程師註冊條例》所指的註冊專業工程師，並為英國土木工程師學會會員及香港工程師學會會員。

Profile of Directors and Senior Management

董事及高級管理層履歷

Mr. Yiu Yu Ho, Thomas, aged 68, is the Operational Director of the foundation division. He is responsible for the managing, supervising and actuating the current projects of the Group. He has over 46 years of experience, working in the construction industry, since graduated in 1971 from Civil Engineering Department of Hong Kong Baptist College.

Ms. Lau Pui Shan, aged 44, is the chief financial officer of the Group and a director of certain subsidiaries within the Group. She joined the Group in September 1999. She is responsible for financial accounting, treasury and banking matters, investors relation and information technology system of the Group. She obtained a bachelor's degree of commerce in accounting and finance and a master's degree of commerce in international business from the University of New South Wales in Australia. She is a fellow certified practicing accountant of CPA Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants. She is the daughter of Mr. Lau Chun Ming and Ms. Leung Lai So.

COMPANY SECRETARY

Mr. Chan Sun Kwong, aged 51, is the company secretary of the Company. He obtained a diploma of business administration from the Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in 1990. He is a fellow member of the Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries and Administrators in the United Kingdom, the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants in the United Kingdom and the Hong Kong Institute of Certified Public Accountants. He is an accredited mediator of The Hong Kong Mediation Centre. He has over 25 years company secretarial experience.

姚汝豪先生，68歲，為地基部的營運總監。彼負責本集團營運中之工程項目之管理，督導及推動工作。自1971年畢業於浸會學院土木工程系後，彼於建造行業擁有逾46年之經驗。

劉沛珊女士，44歲，為本集團財務總裁及本集團若干附屬公司的董事。彼於1999年9月加盟本集團。彼負責本集團財務、會計、司庫及銀行事務、投資者關係及資訊科技系統。彼持有澳洲新南威爾士大學的會計及金融商學士學位及國際商務碩士學位。彼為澳洲會計師公會的澳洲資深註冊會計師及香港會計師公會的資深會員。彼為劉振明先生及梁麗蘇女士的女兒。

公司秘書

陳晨光先生，51歲，為本公司的公司秘書。彼於1990年獲得香港樹仁學院（現稱香港樹仁大學）工商管理文憑。彼為香港特許秘書公會、英國特許秘書及行政人員公會、英格蘭及威爾士特許會計師協會、英國特許公認會計師公會及香港會計師公會資深會員。彼為香港和解中心認可調解員。彼擁有逾25年的公司秘書經驗。



Directors' Report

董事會報告

The directors of the Company submit their report together with the audited financial statements of the Group for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of foundation works and ancillary services. The principal activities of the subsidiaries of the Company are set out in note 12 to the consolidated financial statements. The segment information of the operations of the Group for the year ended 31 March 2018 is set out in note 5 to the consolidated financial statements.

BUSINESS REVIEW

The business review and principal risks of the Group for the year are included in the Chairman's Statement and Management Discussion and Analysis in this annual report.

The environmental policies and relationships with key stakeholders are included in the Management Discussion and Analysis in this annual report. Further details of the above are included in the Corporate Social Responsibility Report in this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2018 are set out in the consolidated statement of comprehensive income on page 81 of this annual report.

The directors do not recommend the payment of a final dividend for the year ended 31 March 2018.

FIVE YEAR FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five years is set out on page 184 of this annual report.

本公司董事提呈其截至2018年3月31日止年度的報告連同本集團的經審核財務報表。

主要業務

本公司的主要業務為投資控股。本集團主要從事提供地基工程及附屬服務業務。本公司附屬公司的主要業務載於綜合財務報表附註12。本集團截至2018年3月31日止年度的業務分部資料載於綜合財務報表附註5。

業務回顧

本集團於本年度的業務回顧及主要風險已載於本年報的主席報告及管理層討論與分析內。

環境政策及與主要持份者的關係載於本年報的管理層討論與分析內。有關上述詳情載於本年報的企業社會責任報告內。

業績及股息

本集團於截至2018年3月31日止年度的業績載於第81頁的綜合全面收益表內。

董事不建議派發截至2018年3月31日止年度的末期股息。

五年財務概要

本集團過去五個年度的已刊發業績及資產負債概要載於本年報第184頁。

Directors' Report

董事會報告

DONATIONS

Charitable and other donations made by the Group during the year amounted to about HK\$40,000.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2018, calculated under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised), of the Cayman Islands, amounted to HK\$200 million (2017: HK\$202 million).

SHARES ISSUED IN THE YEAR

No shares were issued in the years ended 31 March 2018 and 2017. Details of share capital are set out in note 18 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and there was no restriction against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S 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 ended 31 March 2018.

SHARE OPTION SCHEME

A share option scheme (the "Scheme") was adopted pursuant to a shareholders' written resolution of the Company passed on 15 September 2014. No options have been granted, exercised or cancelled under the Scheme since its adoption up to the date of this annual report.

捐款

本集團於年內作出慈善及其他捐款合共40,000港元。

可供分派儲備

於2018年3月31日，本公司根據開曼群島法例第22章《公司法》(1961年法例三，經綜合及修訂本)計算的可供分派儲備為200,000,000港元(2017年：202,000,000港元)。

年內已發行股份

於截至2018年及2017年3月31日止年度並無發行股份。股本詳情載於綜合財務報表附註18。

優先購買權

本公司的組織章程細則並無有關優先購買權的條文，而開曼群島法例並無對該等權利施加限制，規定本公司須按比例向現有股東提呈新股份。

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於截至2018年3月31日止年度概無購買、出售或贖回本公司任何上市證券。

購股權

本公司根據於2014年9月15日通過的股東書面決議案，採納一項購股權計劃(「該計劃」)。自採納該計劃起至本年報日期為止，並無根據該計劃授出、行使或註銷任何購股權。

Directors' Report

董事會報告

The purpose of the Scheme is to attract and retain personnels to remain with the Group and to motivate them to optimise their performance and efficiency for the benefit of the Group by providing them with the opportunity to acquire equity interests in the Company. The Board may, at its discretion, grant options pursuant to the Scheme to the directors (including executive directors, non-executive directors and independent non-executive directors), the directors of the Company's subsidiaries and employees of the Group and any other persons (including consultants or advisers) whom the Board considers, in its absolute discretion, have contributed or will contribute to the Group.

Total number of shares in respect of which options may be granted to the Scheme and any other share options schemes of the Company shall not exceed 10% of the shares in issue on the Company's listing date, i.e. 16 October 2014, being 40,000,000 shares of HK\$0.01 each on the listing date (or equivalent to 160,000,000 shares of HK\$0.0025 each subsequent to share subdivision effective on 23 December 2015) (the "Scheme Mandate Limit"). The Company may renew the Scheme Mandate Limit with shareholders' approval provided that each such renewal must not exceed 10% of the shares in the Company in issue as at the date of the shareholders' approval.

The maximum number of shares underlying all outstanding options which have been granted and have yet to be exercised pursuant to the Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the shares in issue from time to time.

Unless approved by shareholders of the Company in the manner as set out in the Scheme, the maximum number of shares underlying the options granted to each eligible participant (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1.0% of the shares in issue for the time being.

The period during which an option may be exercised by a grantee (the "Option Period") shall be the period to be determined and notified by the Board to the grantee at the time of making an offer, which shall not expire later than 10 years from the offer date.

該計劃的目的是藉著向各員工提供購買本公司股權的機會，吸引及挽留彼等留任本集團，並鼓勵彼等提升表現及效率，為本集團獲利而努力。董事會可根據該計劃酌情向董事（包括執行董事、非執行董事及獨立非執行董事）、本公司附屬公司的董事及本集團的僱員授出購股權，亦可向董事會全權認為曾對或將會對本集團作出貢獻的任何其他人士（包括諮詢人或顧問）授出購股權。

根據該計劃及本公司任何其他購股權計劃可予授出的購股權所涉及的股份總數，不得超過本公司於上市日期（2014年10月16日）已發行股份的10%（即40,000,000股於上市日期每股面值0.01港元的股份（或相當於2015年12月23日生效的股份拆細後的160,000,000股每股面值0.0025港元的股份））（「計劃授權上限」）。本公司可經股東批准下重訂計劃授權上限，惟每次進行的有關重訂均不得超過本公司於股東批准當日已發行股份的10%。

根據該計劃及本公司任何其他購股權計劃已授出但尚未行使的所有購股權所涉及的股份最高數目，合共不得超過不時已發行股份的30%。

除非按該計劃所載方式獲本公司股東批准，每名合資格參與者在任何十二個月期間內獲授的購股權（包括已行使、已註銷及尚未行使的購股權）所涉及的股份最高數目，不得超過當時已發行股份的1.0%。

承授人可行使購股權的期間（「購股權期間」）將由董事會於提呈要約時釐定及向承授人知會，有關期間不得於要約日期起計十年後屆滿。

Directors' Report

董事會報告

Subject to any restrictions applicable under the Listing Rules, an option may be exercised in whole or in part by the grantee at any time during the Option Period in accordance with the terms of the Scheme and the terms on which the option was granted.

The grantee shall pay HK\$1.00 upon acceptance of an offer of an option.

The exercise price shall be determined by the Board but in any event shall not be less than the highest of: (a) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the offer date, which must be a trading day; (b) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the offer date; or (c) the nominal value of the shares on the offer date of the relevant option.

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

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors

Mr. Lau Chun Ming (*Chairman*)
Mr. Lau Chun Kwok (*Chief Executive Officer*)
Mr. Lau Chun Ka
Ms. Leung Lai So

Independent non-executive directors

Professor Wong Sue Cheun, Roderick
Mr. Chu Tak Sum
Mr. Ip Tin Chee, Arnold

In accordance with article 84 of the Company's articles of association, Mr. Lau Chun Ka, Ms Leung Lai So and Mr. Chu Tak Sum will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

在上市規則項下任何適用限制的規限下，承授人可根據該計劃的條款及授出購股權的條款於購股權期間隨時行使全部或部分購股權。

承授人接納購股權要約時須繳付1.00港元。

行使價由董事會釐定，惟於任何情況下不得低於以下最高者：(a)聯交所於相關購股權要約日期(須為交易日)發出的每日報價表所報股份的收市價；(b)聯交所於緊接相關購股權要約日期前五個交易日發出的每日報價表所報股份的平均收市價；及(c)股份於相關購股權要約日期的面值。

該計劃將於採納日期後十年期間生效。

董事

於本年度內至本報告日期止的本公司董事如下：

執行董事

劉振明先生(主席)
劉振國先生(行政總裁)
劉振家先生
梁麗蘇女士

獨立非執行董事

王世全教授
朱德森先生
葉天賜先生

根據本公司組織章程細則第84條，劉振家先生、梁麗蘇女士及朱德森先生將於應屆股東週年大會上告退，並符合資格膺選連任。

Directors' Report

董事會報告

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules. The Company considered all of the independent non-executive directors to be independent.

DIRECTORS' SERVICE CONTRACTS

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS'/CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESS

Save for disclosed elsewhere in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent companies was a party and in which a director or controlling shareholders of the Company and the directors' connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out on pages 54 to 57.

本公司已接獲每位獨立非執行董事根據上市規則第3.13條就其獨立性作出的年度確認書。本公司認為所有獨立非執行董事均符合有關獨立性的要求。

董事的服務合約

概無擬於應屆股東週年大會上膺選連任的董事與本集團任何成員公司訂有不可由本集團於一年內終止而毋須支付補償款項(法定補償除外)的服務合約。

董事／控股股東於對本集團業務而言屬重大的交易、安排及合約中擁有的重大權益

除於本年報其他部分所披露者外，本公司的附屬公司、同系附屬公司或母公司於年末或年內任何時間，並無訂有任何對本集團業務而言屬重大且本公司董事或控股股東及董事的關連人士於當中擁有重大權益(不論直接或間接)的交易、安排及合約。

董事及高級管理層履歷

董事及高級管理層履歷載於第54至第57頁。

Directors' Report

董事會報告

DISCLOSURE OF INTERESTS

As at 31 March 2018, the interests and short positions of directors in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules, are as follows:

(a) Directors' interest in the Company:

Name of director 董事姓名	Number of ordinary shares of HK\$0.0025 each held (long position) 所持每股面值0.0025港元的普通股數目(好倉)	Percentage of shareholding 持股百分比	Capacity 身份
Mr. Lau Chun Ming 劉振明先生	1,200,000,000	71.43%	Founder of a discretionary trust 全權信託的創辦人
Ms. Leung Lai So 梁麗蘇女士	1,200,000,000	71.43%	Beneficiary of a discretionary trust 全權信託的受益人

(b) Directors' interest in associated corporations of the Company:

Name of director 董事姓名	Name of associated corporation 相聯法團名稱	Number of shares 股份數目	Percentage of shareholding 持股百分比	Capacity 身份
Mr. Lau Chun Ming 劉振明先生	Actiease Assets Limited	61 shares 61股	100%	Founder of a discretionary trust 全權信託的創辦人
Mr. Lau Chun Ming 劉振明先生	Silver Bright Holdings Limited	10,000 shares 10,000股	100%	Founder of a discretionary trust 全權信託的創辦人
Ms. Leung Lai So 梁麗蘇女士	Actiease Assets Limited	61 shares 61股	100%	Beneficiary of a discretionary trust 全權信託的受益人
Ms. Leung Lai So 梁麗蘇女士	Silver Bright Holdings Limited	10,000 shares 10,000股	100%	Beneficiary of a discretionary trust 全權信託的受益人

權益披露

於2018年3月31日，董事於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有根據證券及期貨條例第352條須予存置的登記冊所記錄的權益及淡倉，或根據上市規則附錄10所載的上市發行人董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉如下：

(a) 董事於本公司的權益：

(b) 董事於本公司相聯法團的權益：

Directors' Report

董事會報告

So far as the directors are aware, as at 31 March 2018 the interest and short positions of the persons, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO are as follows:

(c) Substantial shareholders' interests and short positions in the Company

Name of shareholder 董事名稱	Number of ordinary shares of HK\$0.0025 each held 所持每股面值0.0025港元的普通股數目	Percentage of shareholding 持股百分比	Capacity 身份
Actiease Assets Limited	Long position 1,200,000,000 好倉1,200,000,000股	71.43%	Beneficial owner 實益擁有人
Silver Bright Holdings Limited	Long position 1,200,000,000 好倉1,200,000,000股	71.43%	Interest of a controlled corporation 受控制法團的權益
Managecorp Limited as trustee of a unit trust (作為單位信託的受託人)	Long position 1,200,000,000 好倉1,200,000,000股	71.43%	Trustee 受託人
First Names (NTC) Trustees Asia Limited (formerly known as Nautilus Trustees Asia Limited) (前稱Nautilus Trustees Asia Limited)	Long position 1,200,000,000 好倉1,200,000,000股	71.43%	Trustee 受託人

Notes:

- 1,200,000,000 shares were held by Actiease Assets Limited, a company wholly owned by Silver Bright Holdings Limited which is indirectly owned by a discretionary trust of which Ms. Leung Lai So is the beneficiary.
- Silver Bright Holdings Limited is 100% held by Managecorp Limited as trustee of a unit trust, of which issued units are 100% held by First Names (NTC) Trustees Asia Limited (formerly known as Nautilus Trustees Asia Limited) as trustee of a discretionary trust set up by Mr. Lau Chun Ming.

就董事所知，於2018年3月31日，以下人士（不包括本公司董事或主要行政人員）於本公司股份及相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊所記錄的權益及淡倉：

(c) 主要股東於本公司的權益及淡倉

Name of shareholder 董事名稱	Number of ordinary shares of HK\$0.0025 each held 所持每股面值0.0025港元的普通股數目	Percentage of shareholding 持股百分比	Capacity 身份
Actiease Assets Limited	Long position 1,200,000,000 好倉1,200,000,000股	71.43%	Beneficial owner 實益擁有人
Silver Bright Holdings Limited	Long position 1,200,000,000 好倉1,200,000,000股	71.43%	Interest of a controlled corporation 受控制法團的權益
Managecorp Limited as trustee of a unit trust (作為單位信託的受託人)	Long position 1,200,000,000 好倉1,200,000,000股	71.43%	Trustee 受託人
First Names (NTC) Trustees Asia Limited (formerly known as Nautilus Trustees Asia Limited) (前稱Nautilus Trustees Asia Limited)	Long position 1,200,000,000 好倉1,200,000,000股	71.43%	Trustee 受託人

附註：

- 1,200,000,000股股份由Silver Bright Holdings Limited全資擁有的公司Actiease Assets Limited所持有，而Silver Bright Holdings Limited由其受益人為梁麗蘇女士的全權信託間接擁有。
- Silver Bright Holdings Limited由單位信託的受託人Managecorp Limited 100%持有，而Managecorp Limited的已發行單位則由First Names (NTC) Trustees Asia Limited (前稱Nautilus Trustees Asia Limited) 作為劉振明先生設立的全權信託的受託人100%持有。

Directors' Report

董事會報告

MANAGEMENT CONTRACTS

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

DEED OF NON-COMPETITION

The controlling shareholders have confirmed to the Company of their compliance with the non-competition undertakings provided to the Company under a deed of non-competition dated 15 September 2014.

In addition, the Company requested and obtained the information of the companies owned by the controlling shareholders of the Company. The independent non-executive directors, based on their review of the confirmation, noted that no engagement in competing business had been reported by the controlling shareholder of the Company during the year ended 31 March 2018; and there was no particular situation rendering the full compliance of the undertakings being questionable.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's five largest customers in aggregate accounted for approximately 100% (2017: 100%) of the Group's total turnover. The largest customer accounted for approximately 81% (2017: 49%) of the Group's total turnover.

During the year, the Group's five largest suppliers in aggregate accounted for approximately 94% (2017: 90%) of the Group's total purchases. The largest supplier accounted for approximately 75% (2017: 60%) of the Group's total purchases.

To the best of the knowledge of the directors, none of the directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in these major suppliers or customers.

管理合約

於年內概無訂立或存有關於本公司全部或任何重大部分業務的管理及行政方面的合約。

不競爭契據

控股股東已向本公司確認，其已遵守根據日期為2014年9月15日的不競爭契據向本公司作出的不競爭承諾。

此外，本公司已索取並獲取本公司控股股東所擁有公司的資料。獨立非執行董事根據其對確認書的審閱注意到本公司控股股東於截至2018年3月31日止年度概無匯報曾參與競爭業務，亦不存在關於完全遵守承諾有爭議之特殊情況。

主要客戶及供應商

於年內，本集團五大客戶合共佔本集團總營業額約100%（2017年：100%）。最大客戶佔本集團總營業額約81%（2017年：49%）。

於年內，本集團五大供應商合共佔本集團總採購額約94%（2017年：90%）。最大供應商佔本集團總採購額約75%（2017年：60%）。

就董事所知，概無董事、彼等的聯繫人士或任何股東（就董事所知擁有本公司股本5%以上的人士）於上述主要供應商或客戶中擁有權益。

Directors' Report

董事會報告

RELATED PARTY TRANSACTIONS

The significant related party transactions entered into by the Group during the year set out in note 26 to the financial statements included transactions that constitute connected/continuing connected transactions for which the disclosure requirements under the Listing Rules have been complied with.

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 March 2018, the Group had the following continuing connected transactions:

Tenancy Agreements

Name of landlords 業主名稱	Term of lease agreements 租賃協議年期	Monthly rent 每月租金 (HK\$) (港元)	Annual rent 每年租金 (HK\$) (港元)
Leasing of storage property for use as open storage and service depot for the Group 租賃存倉物業以用作本集團的露天存倉及維修場			
Cheer Crown Limited 嘉勳有限公司	1/8/2017 ~ 31/7/2020 1/8/2014 ~ 31/7/2017	180,000	2,160,000
Leasing of residential properties and car parking spaces for use as quarter for the directors 租賃住宅物業及停車位以用作董事的居所			
Cheer Wealth International Development Limited 富怡國際發展有限公司	1/8/2017 ~ 31/7/2020 1/8/2014 ~ 31/7/2017	73,000	876,000
East Ascent Enterprises Limited 東升企業有限公司	1/8/2017 ~ 31/7/2020 1/8/2014 ~ 31/7/2017	3,800	45,600
Cheer Profit International Enterprise Limited 置利國際企業有限公司	1/8/2017 ~ 31/7/2020 1/8/2014 ~ 31/7/2017	3,800	45,600
Long Ascent Development Limited 長升發展有限公司	1/8/2017 ~ 31/7/2020 1/8/2014 ~ 31/7/2017	50,000	600,000
Healthy World Investment Limited 健匯投資有限公司	1/8/2017 ~ 31/7/2020 1/8/2014 ~ 31/7/2017	50,000	600,000
Total transaction amounts for the year ended 31 March 2018 截至2018年3月31日止年度的交易總額			4,327,200
Annual cap For the year ended 31 March 2018	年度上限 截至2018年3月31日止年度		4,327,200

關聯人士交易

本集團於本年度訂立的重大關聯交易載於財務報表附註26，包括構成關連／持續關連交易的交易，而本集團已就該等交易遵守上市規則的披露規定。

持續關連交易

於截至2018年3月31日止年度，本集團的持續關連交易如下：

租賃協議

Directors' Report

董事會報告

The rents paid by the Group to the above landlords were determined on an arm's length basis and reflected the prevailing market rents at the time. The relevant tenancy agreements were also entered into by the parties on normal commercial terms.

Relationships with Connected Persons

As Mr. Lau Chun Ming, Mr. Lau Chun Kwok, Mr. Lau Chun Ka and Ms. Leung Lai So, each a director, and Ms. Lau Pui Shan, a daughter of Mr. Lau Chun Ming and Ms. Leung Lai So, owned the beneficial interests in the above landlords, each of the landlords above was therefore considered as a connected person of the Company and hence the transactions referred above constituted continuing connected transactions under Chapter 14A of the Listing Rules.

Review of Continuing Connected Transactions

The continuing connected transactions mentioned above have been reviewed by the independent non-executive directors of the Company who have confirmed that the transactions have been entered into (a) in the ordinary and usual course of business of the Company; (b) on normal commercial terms or better; and (c) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 66 to 67 in this annual report in accordance with rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

本集團向上述業主支付的租金乃按公平原則釐定，並已反映當時的現行市場租金。同樣，相關租賃協議由訂約各方按正常商業條款訂立。

與關連人士的關係

由於劉振明先生、劉振國先生、劉振家先生及梁麗蘇女士（彼等各自為董事）及劉沛珊女士（劉振明先生及梁麗蘇女士的女兒）於以上業主中擁有實益權益，因此以上業主均被視為本公司的關連人士，上述所指的交易亦因而構成上市規則第14A章項下的持續關連交易。

審閱持續關連交易

本公司的獨立非執行董事已審閱上述持續關連交易，並確認交易乃(a)於本公司日常一般業務過程中；(b)按一般商業條款或更佳條款；及(c)根據規管該等交易的相關協議，屬公平合理，且符合本公司股東整體利益而訂立。

本公司核數師獲委聘，遵照香港會計師公會頒發的香港鑒證業務準則第3000號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明第740號「上市規則規定的持續關連交易的核數師函件」，就本集團的持續關連交易作出報告。根據上市規則第14A.56條，核數師已就本集團於本年報第66至第67頁披露的持續關連交易，發出載有彼等的審核結果及結論的無保留意見函件。本公司已向聯交所呈交核數師函件的副本。

Directors' Report

董事會報告

Save as disclosed above, a summary of significant related party transactions that did not constitute connected transactions made during the year is disclosed in note 26 to the financial statements.

MARKET CAPITALISATION

As at 31 March 2018, the market capitalisation of the listed securities of the Company was approximately HK\$353 million based on the total number of 1,680,000,000 issued shares of the Company and the closing price of HK\$0.21 per share.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained the prescribed public float under the Listing Rules during the year ended 31 March 2018 and as at the date of this report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year and up to the date of this report, the Group had complied with all the relevant laws and regulations in the places where we operate in all material respects.

PERMITTED INDEMNITY PROVISION

The Company's Articles provides that every director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of duties of his/her office or otherwise in relation thereto provided that such indemnity shall not extend to any matter in respect of fraud or dishonesty which may attach to the director.

The Company has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the directors.

除上文披露者外，於年內作出的並不構成關連交易的重大關聯人士交易概要於財務報表附註26披露。

市值

於2018年3月31日，按本公司已發行股份總數1,680,000,000股以及每股收市價0.21港元計算，本公司上市證券的市值約為353,000,000港元。

充足的公眾持股量

根據本公司獲得的公開資料及就董事所知，於截至2018年3月31日止年度及於本年報日期，本公司一直維持上市規則指定的公眾持股量。

遵守法律及規例

於年內及直至本報告日期，本集團已在各重要方面遵守旗下營運所在地的全部相關法律及規例。

獲准許彌償條文

本公司組織章程細則規定，就其任期內或因執行其職務而可能遭致或發生與此相關之所有損失或責任，每位董事有權從本公司資產中獲得賠償，惟與董事本身之欺詐或不誠實事宜有關者除外。

本公司於年內已購買及維持全年的董事責任保險，為董事提供適當的保障。

Directors' Report

董事會報告

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2018 and up to the date of this annual report.

AUDITOR

The consolidated financial statements for the year ended 31 March 2018 have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Mr. Lau Chun Ming

Chairman

Hong Kong, 26 June 2018

報告期後事項

本公司或本集團於2018年3月31日後及截至本年報日期並無進行任何重大其後事項。

核數師

截至2018年3月31日止年度的綜合財務報表已獲羅兵咸永道會計師事務所審核，其將於本公司應屆股東週年大會上任滿告退並願意接受續聘。

代表董事會

劉振明先生

主席

香港，2018年6月26日



Independent Auditor's Report

獨立核數師報告



To the Shareholders of Sam Woo Construction Group Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Sam Woo Construction Group Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 81 to 183, which comprise:

- the consolidated balance sheet as at 31 March 2018;
- the consolidated statement of 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 a summary of significant accounting policies.

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 2018, 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.

羅兵咸永道

致三和建築集團有限公司股東
(於開曼群島註冊成立的有限公司)

意見

我們已審計的內容

三和建築集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第81至183頁的綜合財務報表，包括：

- 於2018年3月31日的綜合資產負債表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括重要會計政策摘要。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於2018年3月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) 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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。



Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Key audit matters identified in our audit are summarised as follows:

- Accounting for construction contracts - estimated costs and profit recognition
- Estimated useful lives and residual values of plant and equipment

Key Audit Matter

關鍵審計事項

Accounting for construction contracts - estimated costs and profit recognition

Refer to note 2.11 in the summary of significant accounting policies and note 5 to the consolidated financial statements.

請參閱重大會計政策概要附註2.11及綜合財務報表附註5。

For the year ended 31 March 2018, the Group's entire gross profit of HK\$44,045,000 was derived from construction works.

截至2018年3月31日止年度，貴集團全部毛利44,045,000港元乃來自建築工程。

The recognition of costs and profit on construction contracts is based on the stage of completion of contract activity by reference to work performed at balance sheet date as a percentage of the total contract value.

建築合約的成本及溢利乃經參考結算日所進行工程佔總合約價值百分比根據合約活動的完工階段確認。

關鍵審計事項(續)

我們在審計中識別的關鍵審計事項概述如下：

- 建築合約的會計處理 – 估計成本及溢利確認
- 機械及設備的估計可使用年期及剩餘價值

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

建築合約的會計處理 – 估計成本及溢利確認

Our procedures in relation to management's accounting for percentage of completion of construction work, estimated costs and profit recognition of construction contracts included:

就管理層對建築合約的建築工程完工百分比、估計成本及溢利確認的會計處理，我們已採取的程序包括：

- We assessed and tested the key controls over the project costs budgeting process.
- 我們已評估及測試項目成本預算過程中的主要監控。
- We inspected material construction contracts of the Group for agreed contract sum and variations, if any.
- 我們已檢視貴集團的重大建築工程合約的協定合約金額及變更（如有）。
- We checked the stage of completion to the external architects' and quantity surveyors' certificates; and tested the revenue recognition based on percentage of completion and the calculations of contract costs and gross profits.
- 我們已核對完工階段與外部建築師及工料測量師證明，並按照完工百分比對收益確認、合約成本和毛利的計算進行測試。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Key Audit Matter

關鍵審計事項

Recognition of costs and profit on contracts requires significant judgement and estimates of budgeted gross profit as well as the expected recovery of costs arising from additional work performed throughout the contracts.

合約的成本及溢利確認需要對預測毛利及預期於整段合約期間因進行額外工程而產生的成本能否收回進行重大判斷及估計。

Costs and profit recognition requires significant time and resources to audit due to the magnitude as well as the judgement and estimates involved.

基於所涉及的金額龐大並且判斷及估計重大，因此成本及溢利確認需要動用大量時間及資源進行審計。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- We examined management's budget of the cost component, such as costs of materials, subcontracting fees and labour costs, etc. We compared the budgeted component cost to supporting documents including but not limited to invoices, price quotation and rate of labour costs.
- 我們已審視管理層對材料成本、分包費用及勞務成本等成本組成部分的預算。我們將預算組成部分的成本與佐證文件互相比對，當中包括但不限於發票、報價單及勞務成本價格。
- We compared by cost component of the actual cost incurred up to year end to the budgeted cost and obtained explanation from management for any material variation.
- 我們已將各成本組成部分截至年末發生的實際金額與預算金額互相比對，並就任何重大差異向管理層取得解釋說明。
- We compared the historical actual gross profit margin to those budgeted to assess the quality of management budgetary process.
- 我們已比較過往實際毛利率與預算毛利率，以評估管理預算過程的品質。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Key Audit Matter

關鍵審計事項

關鍵審計事項(續)

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- We discussed with the Group's quantity surveyors and project managers about the status of the projects, to identify any variations of contracts and claims, and to obtain explanations for fluctuations in margins and changes in budget as well as the expected recovery of variations. We also inspected the correspondence with customers and sub-contractors and the minutes of management's regular internal meetings, on a sample basis, for corroboration of their explanations.
- 我們已與貴集團的工料測量師及項目經理討論項目狀況，以識別有否合約變更及申索，並就溢利率波動、預算變動及預期能否收回合約變更取得解釋說明。我們亦已抽樣檢視與客戶及分包商之間的通訊以及管理層內部會議的會議紀錄，以佐證他們的說法。
- We assessed, on a sample basis, the competence and independence of external architects and quantity surveyors.
- 我們已抽樣評估外部建築師及工料測量師之能力和獨立性。

We found the judgement and estimates adopted by management in determining the estimated costs and profit recognition of construction contracts are supported by available evidence.

就管理層在釐定建築合約的估計成本及溢利確認時所應用的判斷及所採納的估計方面，我們並無發現任何重大問題。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key Audit Matter

關鍵審計事項

Estimated useful lives and residual values of plant and equipment

Refer to note 2.5 in the summary of significant accounting policies, note 4(a) in the critical accounting estimates and judgements and note 13 to the consolidated financial statements.

請參閱重大會計政策概要附註2.5、綜合財務報表附註4(a)重要會計估計及判斷以及附註13。

As at 31 March 2018, there was plant and equipment of HK\$575,752,000. For the year ended 31 March 2018, depreciation of HK\$26,971,000 was recognised.

於2018年3月31日，機械及設備為575,752,000港元。截至2018年3月31日止年度，已確認折舊26,971,000港元。

Management estimates useful lives of the plant and equipment by reference to the industry practice, expected usage of the assets, expected repair and maintenance, the technical or commercial obsolescence arising from changes or improvements in the market. Residual values of the machinery and equipment are determined based on prevailing market values for equivalent aged assets taking into account the condition of the relevant assets or the value of scrap metal. Depreciation expense would be significantly affected by the useful lives and residual values of the plant and equipment as estimated by management.

管理層乃參考行業慣例、資產預期用途、預期維修及保養、因市場變化或改善導致的技術或商業方面過時，估計機械及設備的可使用年期。機械及設備的剩餘價值乃根據具同等賬齡資產的現行市值釐定，並計及有關資產的狀況或廢鐵的價值。管理層所估計機械及設備的可使用年期及剩餘價值將對折舊費用有重大影響。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

機械及設備的估計可使用年期及剩餘價值

Our procedures in relation to management's estimated useful lives and residual values of plant and equipment included:

就管理層對機械及設備的估計可使用年期及剩餘價值，我們已採取的程序包括：

- We discussed with the management on trends of prevailing market values for equivalent aged assets for each category of plant and equipment and the value of scrap metal at year end. We performed research to verify the management's representation.
- 我們已與管理層討論各類機械及設備的同等賬齡資產的現行市值走勢及廢鐵於年末的價值。我們已進行研究以核實管理層的陳述。
- We sample checked market quotations and recent scrap metal price to assess whether the residual value of each type of plants and machineries are within reasonable range.
- 我們已抽樣核對市場報價及廢鐵的近期價格以評估各類機械及設備的剩餘價值屬合理範圍。
- We reviewed the sensitivity analysis performed by management on financial impact of fluctuation on residual values to depreciation.
- 我們已審閱管理層對剩餘價值波動與折舊的財務影響進行的敏感性分析。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key Audit Matter

關鍵審計事項

Due to the significant judgement and estimates involved, specific audit focus was placed on this area.

由於所涉及的判斷及估計重要，故對此方面的審計工作給予特別重視。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- We assessed useful lives by benchmarking to other industry players and performing research on changes or improvements in the market which could result in technical or commercial obsolescence. Furthermore, we tested, on a sample basis, usage and movement of the assets among different construction projects and expenditure of repair and maintenance.
- 我們以其他業界的基準及因市場變化或改善導致的技術或商業方面過時進行研究來評估可使用年期。另外，我們已抽樣測試不同建築項目的資產用途及變動以及維修及保養的開支。
- We tested, on a sample basis, whether additions to plant and equipment have been recorded in proper categories with relevant useful lives and residual values, for the calculation of depreciation.
- 就計提折舊，我們已抽樣測試機械及設備的添置是否記錄於合適的相關可使用年期及剩餘價值類別。

We found the judgement and estimates in determining the useful lives and residual values of plant and equipment are supported by available evidence.

我們認為，於釐定機械及設備的可使用年期及剩餘價值時運用的判斷及估計是有足夠證據支持的。

Independent Auditor's Report

獨立核數師報告

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 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.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

Independent Auditor's Report

獨立核數師報告

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional 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.

董事及審核委員會就綜合財務報表須承擔的責任 (續)

審核委員會須負責監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

Independent Auditor's Report

獨立核數師報告

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

(Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
 - 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
 - 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
 - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
 - 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

核數師就審計綜合財務報表承擔的責任 (續)

Independent Auditor's Report

獨立核數師報告

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

(Continued)

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

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

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 Chan Hin Gay Gabriel.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 June 2018

核數師就審計綜合財務報表承擔的責任 (續)

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是陳顯基。

羅兵咸永道會計師事務所
執業會計師

香港，2018年6月26日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31st March 2018 截至2018年3月31日止年度

		Note 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Revenue	收入	5	518,479	817,682
Cost of sales	銷售成本	7	(474,434)	(672,457)
Gross profit	毛利		44,045	145,225
Other gain/(loss), net	其他收益/ (虧損) — 淨額	6	5,788	(1,120)
Other income	其他收入	6	19,038	214
Administrative expenses	行政開支	7	(61,405)	(45,451)
Operating profit	經營溢利		7,466	98,868
Finance income	財務收入	8	2,637	2,677
Finance costs	財務費用	8	(4,478)	(10,330)
Finance costs, net	財務費用 — 淨額	8	(1,841)	(7,653)
Profit before income tax	除所得稅前溢利		5,625	91,215
Income tax expense	所得稅開支	9	(106)	(12,235)
Profit for the year	年度溢利		5,519	78,980
Profit attributable to equity holders of the Company	本公司權益持有人 應佔溢利		5,519	78,980
Other comprehensive income <i>Items that may be subsequently reclassified to profit or loss</i>	其他全面收入 可能於其後重新分類至 損益之項目			
Fair value gains on available-for-sale financial assets	可供出售金融資產 之公平值收益		770	—
Total comprehensive income for the year	年度全面收入總額		6,289	78,980
Total comprehensive income attributable to equity holders of the Company	本公司權益持有人 應佔全面收入總額		6,289	78,980
		Note 附註	2018 HK cents 港仙	2017 HK cents 港仙
Basic and diluted earnings per share	每股基本及攤薄盈利	11	0.33	4.70

The notes on pages 86 to 183 are an integral part of these consolidated financial statements.

第86至183頁之附註為此等綜合財務報表之組成部分。

Consolidated Balance Sheet

綜合資產負債表

As at 31st March 2018 於2018年3月31日

		Note 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Assets	資產			
Non-current assets	非流動資產			
Plant and equipment	機械及設備	13	575,752	633,527
Deferred income tax assets	遞延所得稅資產	19	9,208	917
Available-for-sale financial assets	可供出售金融資產	14	20,520	19,750
Deposits and prepayments	按金及預付款項	15	2,905	765
			608,385	654,959
Current assets	流動資產			
Trade and retention receivables	應收貿易款項及保留金	15	121,261	157,450
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	15	3,905	6,226
Amounts due from customers for contract work	應收客戶合約工程金額	16	231	18,614
Income tax recoverable	可收回所得稅		600	18
Restricted bank balances	受限制銀行結餘	17	3,020	20,864
Cash and cash equivalents	現金及現金等價物	17	256,401	347,943
			385,418	551,115
Total assets	資產總值		993,803	1,206,074
Equity	權益			
Share capital	股本	18(a)	4,200	4,200
Reserves	儲備	18(b)	681,520	692,031
Total equity	權益總額		685,720	696,231

The notes on pages 86 to 183 are an integral part of these consolidated financial statements.

第86至183頁之附註為此等綜合財務報表之組成部分。

Consolidated Balance Sheet

綜合資產負債表

As at 31st March 2018 於2018年3月31日

		Note 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Liabilities	負債			
Non-current liabilities	非流動負債			
Long-term borrowings	長期借款	22	15,904	53,120
Deferred income tax liabilities	遞延所得稅負債	19	59,357	53,453
Amount due to a director	應付一名董事款項	21, 26(d)	3,020	20,864
			78,281	127,437
Current liabilities	流動負債			
Trade and retention payables	應付貿易款項及保留金	20	53,432	79,534
Accruals and other payables	應計款項及其他應付款項	20	8,943	13,969
Amounts due to customers for contract work	應付客戶合約工程金額	16	97,866	82,707
Borrowings	借款	22	65,207	198,621
Income tax payable	應付所得稅		4,354	7,575
			229,802	382,406
Total liabilities	負債總額		308,083	509,843
Total equity and liabilities	權益及負債總額		993,803	1,206,074

The financial statements on pages 81 to 183 were approved by the Board of Directors on 26 June 2018 and were signed on its behalf.

第81至183頁之財務報表已於2018年6月26日獲董事會批准，並由下列人士代表簽署。

Lau Chun Ming

劉振明
Director
董事

Leung Lai So

梁麗蘇
Director
董事

The notes on pages 86 to 183 are an integral part of these consolidated financial statements.

第86至183頁之附註為此等綜合財務報表之組成部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31st March 2018 截至2018年3月31日止年度

		Share capital	Share premium	Available-for-sale financial assets reserve	Other reserves	Retained earnings	Total
		股本	股份溢價	可供出售金融資產儲備	其他儲備	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	K\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2016	於2016年4月1日	4,200	194,087	-	10,500	446,264	655,051
Comprehensive income	全面收入	-	-	-	-	78,980	78,980
Profit for the year	年度溢利						
Contribution by and distribution to owners	擁有人的出資及向其作出的分派						
Final dividends relating to the year ended 31 March 2016 (note 10)	有關截至2016年3月31日止年度的末期股息 (附註10)	-	-	-	-	(29,400)	(29,400)
Interim dividend relating to the year ended 31 March 2017 (note 10)	有關截至2017年3月31日止年度的中期股息 (附註10)	-	-	-	-	(8,400)	(8,400)
At 31 March 2017	於2017年3月31日	4,200	194,087	-	10,500	487,444	696,231
At 1 April 2017	於2017年4月1日	4,200	194,087	-	10,500	487,444	696,231
Comprehensive income	全面收入						
Profit for the year	年度溢利	-	-	-	-	5,519	5,519
Fair value gains on available-for-sale financial assets	可供出售金融資產之公平值收益	-	-	770	-	-	770
Total comprehensive income for the year	年度全面收入總額	-	-	770	-	5,519	6,289
Contribution by and distribution to owners	擁有人的出資及向其作出的分派						
Final dividends relating to the year ended 31 March 2017 (note 10)	有關截至2017年3月31日止年度的末期股息 (附註10)	-	-	-	-	(16,800)	(16,800)
At 31 March 2018	於2018年3月31日	4,200	194,087	770	10,500	476,163	685,720

The notes on pages 86 to 183 are an integral part of these consolidated financial statements.

第86至183頁之附註為此等綜合財務報表之組成部分。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31st March 2018 截至2018年3月31日止年度

		Note 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Cash flows from operating activities	來自經營活動的 現金流量			
Net cash generated from operations	經營活動所得現金淨額	25(a)	56,886	313,230
Interest paid	已付利息		(2,783)	(6,173)
Interest received	已收利息		2,637	2,677
Interest element of finance lease payments	融資租賃付款的 利息部分	8	(1,532)	(3,852)
Restricted bank balances	受限制銀行結餘	17	17,844	(305)
Hong Kong profits tax paid	已付香港利得稅		(6,297)	(10,645)
Net cash generated from operating activities	經營活動所得現金淨額		66,755	294,932
Cash flows from investing activities	來自投資活動的 現金流量			
Acquisition of available for sales investment	收購可供出售投資	14	-	(19,750)
Purchase of plant and equipment	購買機械及設備		(1,157)	(53,454)
Proceeds from sales of plant and equipment	出售機械及設備的 所得款項	25(b)	37,749	28
Decrease in short-term bank deposits	短期銀行存款減少		-	17,797
Net cash generated from/(used in) investing activities	投資活動所得/ (所用) 現金淨額		36,592	(55,379)
Cash flows from financing activities	來自融資活動的 現金流量			
Capital element of finance lease payments	融資租賃付款的 資本部分		(24,936)	(60,868)
Drawdown of long-term bank loans	提取長期銀行貸款		559	30,585
Repayment of long-term bank loans	償還長期銀行貸款		(38,386)	(107,857)
Drawdown of short-term bank loans	提取短期銀行貸款		36,628	204,916
Repayment of short-term bank loans	償還短期銀行貸款		(151,954)	(103,643)
Dividend paid	已付股息		(16,800)	(37,800)
Net cash used in financing activities	融資活動所用現金淨額		(194,889)	(74,667)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物 (減少) / 增加淨額		(91,542)	164,886
Cash and cash equivalents at beginning of the year	於年初的現金及 現金等價物		347,943	183,057
Cash and cash equivalents at end of the year	於年終的現金及現金 等價物	17	256,401	347,943

The notes on pages 86 to 183 are an integral part of these consolidated financial statements.

第86至183頁之附註為此等綜合財務報表之組成部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

Sam Woo Construction Group Limited (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 (together the “Group”) 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.

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 Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants and have been prepared under the historical cost convention.

1 一般資料

三和建築集團有限公司(「本公司」)根據開曼群島法例第22章《公司法》(1961年法例3，經綜合及修訂本)在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

本公司為投資控股公司，而其附屬公司(統稱「本集團」)主要於香港及澳門從事地基工程及附屬服務。

本公司之股份於香港聯合交易所有限公司主板上市。

除另有所指外，綜合財務報表以港元(「港元」)呈列。

2 重大會計政策概要

編製此等綜合財務報表所採用的主要會計政策載於下文。除另有指明者外，該等政策於所有呈列年度一直貫徹應用。

2.1 編製基準

本公司之綜合財務報表乃根據香港會計師公會所頒佈之香港財務報告準則(「香港財務報告準則」)編製，並以歷史成本法編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

The preparation of the 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) *New and amended standards adopted by the Group*

The following new standard and amendments to standards are mandatory for the Group's financial year beginning 1 April 2017 and have been adopted by the Group:

HKAS 7 (Amendment)	Disclosure Initiative
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (Amendment)	Disclosure of Interest in Other Entities

The adoption of these new standard and amendments to standards does not have any significant impact to the results and financial position of the Group's consolidated financial statements.

2 重大會計政策概要(續)

2.1 編製基準(續)

根據香港財務報告準則編製財務報表須運用若干關鍵會計估計。管理層於應用本集團會計政策時亦須作出判斷。涉及較多判斷或較複雜，或有關假設及估計對綜合財務報表有重大影響的範疇於附註4披露。

(a) *本集團採納的新訂及經修訂準則*

以下新準則及準則之修訂於本集團開始於2017年4月1日的財政年度強制使用，並經本集團採用：

香港會計準則 第7號(修訂)	披露計劃
香港會計準則 第12號(修訂)	就未變現虧損 確認遞延 稅項資產
香港財務報告 準則第12號 (修訂)	披露於其他實體 之權益

採納該等新準則及準則之修訂對本集團綜合財務報表的業績及財務狀況不會有重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards not yet adopted

The following new standards and amendments have been issued but are not effective for the financial year beginning on or after 1 April 2017 and have not been early adopted:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle ⁽¹⁾
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ⁽²⁾
HKAS 28 (Amendment)	Long-term Interests in Associates and Joint Ventures ⁽²⁾
HKAS 40 (Amendment)	Transfers of Investment Property ⁽¹⁾
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions ⁽¹⁾
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ⁽⁵⁾
HKFRS 9	Financial Instruments ⁽¹⁾
HKFRS 9 (Amendment)	Prepayment Features with Negative Compensation ⁽²⁾
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate and Joint Venture ⁽⁴⁾

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(b) 尚未採納的新訂及經修訂準則

以下新訂準則及修訂已頒佈，但於2017年4月1日或之後開始的財政年度尚未生效，以及並未提早應用：

香港財務報告準則之修訂	2014年至2016年週期香港財務報告準則的年度改進 ⁽¹⁾
香港財務報告準則之修訂	2015年至2017年週期香港財務報告準則的年度改進 ⁽²⁾
香港會計準則第28號 (修訂)	於聯營公司及合營企業之長期權益 ⁽²⁾
香港會計準則第40號 (修訂)	轉讓投資物業 ⁽¹⁾
香港財務報告準則第2號 (修訂)	以股份支付交易之分類及計量 ⁽¹⁾
香港財務報告準則第4號 (修訂)	對香港財務報告準則第4號保險合約應用香港財務報告準則第9號金融工具 ⁽⁵⁾
香港財務報告準則第9號	金融工具 ⁽¹⁾
香港財務報告準則第9號 (修訂)	具有負值補償之預付款項特點 ⁽²⁾
香港財務報告準則第10號及香港會計準則第28號 (修訂)	投資者與其聯營公司及合營企業之間的資產出售或注資 ⁽⁴⁾

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards not yet adopted (Continued)

HKFRS 15	Revenue from Contracts with Customers ⁽¹⁾
HKFRS 15 (Amendment)	Clarifications to HKFRS 15 ⁽¹⁾
HKFRS 16	Leases ⁽²⁾
HKFRS 17	Insurance Contracts ⁽³⁾
HK (IFRIC) 22	Foreign Currency Transactions and Advance Consideration ⁽¹⁾
HK (IFRIC) 23	Uncertainty over Income Tax Treatments ⁽²⁾

⁽¹⁾ Effective for the Group for annual period beginning on or after 1 January 2018.

⁽²⁾ Effective for the Group for annual period beginning on or after 1 January 2019.

⁽³⁾ Effective for the Group for annual period beginning on or after 1 January 2021

⁽⁴⁾ Effective date to be determined

⁽⁵⁾ Effective for the accounting period beginning on or after 1 January 2018 or when the Group first applies HKFRS 9

Management is in the process of making an assessment on the impact of these new and revised standards, amendments or interpretations. Other than HKFRS 9, HKFRS 15 and HKFRS 16 which may have an impact on the Group's consolidated financial statements, the directors of the Group do not anticipate that the application of the other new and amendments to HKFRS will have material impact on the results and financial position of the Group.

2 重大會計政策概要(續)

2.1 編製基準(續)

(b) 尚未採納的新訂及經修訂準則(續)

香港財務報告準則第15號	來自客戶合約的收入 ⁽¹⁾
香港財務報告準則第15號(修訂)	香港財務報告準則第15號之澄清 ⁽¹⁾
香港財務報告準則第16號	租賃 ⁽²⁾
香港財務報告準則第17號	保險合約 ⁽³⁾
香港(國際財務報告詮釋委員會)第22號	外幣交易及墊款代價 ⁽¹⁾
香港(國際財務報告詮釋委員會)第23號	所得稅處理之不確定性 ⁽²⁾

⁽¹⁾ 於2018年1月1日或之後開始的年度期間對本集團有效。

⁽²⁾ 於2019年1月1日或之後開始的年度期間對本集團有效。

⁽³⁾ 於2021年1月1日或之後開始的年度期間對本集團有效。

⁽⁴⁾ 生效日期有待釐定。

⁽⁵⁾ 於2018年1月1日或之後開始的年度期間或當本集團首次應用香港財務報告準則第9號時有效。

管理層正在評估該等新訂及經修訂準則、修訂本或詮釋的影響。除香港財務報告準則第9號、香港財務報告準則第15號及香港財務報告準則第16號可能對本集團之綜合財務報表有影響外，本集團董事並不預期採用其他新訂及經修訂香港財務報告準則將對本集團之業績及財務狀況有重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards not yet adopted (Continued)

HKFRS 9 Financial Instruments

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group has undertaken a detailed assessment of the classification and measurement of financial assets and does not consider the new guidance to have a significant impact on the classification and measurement of its financial assets. The financial assets currently held by the Group include equity instruments currently classified as available-for-sale financial asset, which would continue to be measured at fair value through other comprehensive income ("FVOCI"). However, gains or losses realised on the sale of financial assets at FVOCI will no longer be transferred to the consolidated income statement on sale, but instead reclassified below the line from the FVOCI reserve to retained earnings.

Accordingly, the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(b) 尚未採納的新訂及經修訂準則 (續)

香港財務報告準則第9號 金融工具

此項新訂準則針對金融資產和金融負債之分類、計量和終止確認，並介紹對沖會計之新規定和金融資產之新減值模型。

本集團已對金融資產之分類及計量進行詳細評估，認為新指引不會對其金融資產之分類及計量造成重大影響。本集團目前所持有之金融資產包括目前分類為可供出售金融資產之股本工具，其將繼續按以公平值計量且其變動按公平值透過其他全面收入（「按公平值透過其他全面收入」）計量。然而，出售以公平值計量且其變動計入其他全面收入之金融資產所變現之收益或虧損將不再於出售時轉撥至綜合收益表，而是將線下項目自以公平值計量且其變動計入其他全面收入儲備重新分類至保留盈利。

因此，本集團不預期新指引會對其金融資產之分類和計量有重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- (b) *New and amended standards not yet adopted (Continued)*

HKFRS 9 Financial Instruments (Continued)

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortized cost, debt instruments measured at fair value through other comprehensive income, contract assets under HKFRS 15 Revenue from contracts with customers, lease receivables, loan commitments and certain financial guarantee contracts. Management considered there would be no material impacts to the Group in this regard.

2 重大會計政策概要(續)

2.1 編製基準(續)

- (b) *尚未採納的新訂及經修訂準則(續)*

香港財務報告準則第9號 金融工具(續)

由於新規定僅影響被指定為按公平值透過損益入賬之金融負債之會計法，而本集團並無任何該等負債，此將不會對本集團金融負債之會計法有任何影響。終止確認規則引自香港會計準則第39號「金融工具：確認及計量」，沒有任何變動。

新減值模型要求按預期信貸虧損確認減值撥備，而非僅產生的信貸虧損（根據香港會計準則第39號）。其適用於按攤銷成本分類的金融資產、按公平值透過其他全面收入計量的債務工具、香港財務報告準則第15號來自客戶合約的收入下的合同資產、應收租賃款、貸款承擔和若干財務擔保合同。管理層認為就此而言將不會對本集團產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards not yet adopted (Continued)

HKFRS 9 Financial Instruments (Continued)

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed HKFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Group does not intend to adopt HKFRS 9 before its mandatory date.

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(b) 尚未採納的新訂及經修訂準則 (續)

香港財務報告準則第9號 金融工具 (續)

新訂準則亦增加披露規定和呈列之改變。預期將改變本集團有關其金融工具之披露性質和範圍，尤其是在新訂準則採納之年度內。

香港財務報告準則第9號必須在2018年1月1日或之後開始之財政年度起應用。根據香港財務報告準則第9號之過渡性條款，只容許就2015年2月1日前開始之年度報告期分階段提早採納。在該日後，新規則必須全數採納。本集團不擬在強制性日期前採納香港財務報告準則第9號。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- (b) *New and amended standards not yet adopted (Continued)*

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 replaces HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts and the related literature. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption. Management has assessed the effects of applying the new standard on the Group's financial statements and has identified the following areas that will be affected:

2 重大會計政策概要(續)

2.1 編製基準(續)

- (b) *尚未採納的新訂及經修訂準則(續)*

香港財務報告準則第15號來自客戶合約的收入

香港財務報告準則第15號取代香港會計準則第18號(涵蓋貨品及服務合約)及香港會計準則第11號(涵蓋建築合約及相關文獻)。新訂準則乃基於貨品或服務控制權轉移至客戶時確認收入的原則。該準則允許在採納時採用全面追溯法或經修訂追溯法。管理層已評估應用新準則對本集團財務報表之影響並已識別以下預期會受到影響的範圍：



Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards not yet adopted (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

- Timing of revenue recognition

The Group has assessed that its contracts with customers fulfil the criteria for recognising revenue over time under HKFRS 15. In measuring the work progress under the new revenue standard, the Group expects to apply an output method with reference to progress certificates issued by the customers with additional adjustments where necessary to depict the Group's performance in transferring control of goods or services promised to customers for individual projects. So far as the measurement of progress of the Group's typical contracts is concerned, the Group expects that there would not be any significant impact on the revenue recognition profile.

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(b) 尚未採納的新訂及經修訂準則 (續)

香港財務報告準則第15號來自客戶合約的收入 (續)

- 確認收入的時間

本集團已評估其與客戶所訂立而符合根據香港財務報告準則第15號隨時間確認收入的準則之合約。於根據新收入準則確認在建工程時，本集團預期會參考客戶所發出的進度證明應用輸出法，並作出必要的額外調整，以說明本集團就個別項目向客戶轉讓已承諾貨物或服務控制權的情況。就計量本集團一般合約的進度而言，本集團預期不會對收入確認分析有任何重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- (b) *New and amended standards not yet adopted (Continued)*

HKFRS 15 Revenue from Contracts with Customers (Continued)

- Timing of recognition of contract costs

Under HKFRS 15, if the costs incurred in fulfilling a contract with a customer are not within the scope of another standard, assets shall only be recognised if the costs incurred (i) relate directly to a contract or an anticipated contract that can be specifically identified; (ii) generate or enhance resources of the entity that will be used in satisfying performance obligations in the future; and (iii) are expected to be recovered. Costs that relate to satisfied performance obligations (or partially satisfied performance obligations) in the contracts and costs for which an entity cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations shall be expensed as incurred under HKFRS 15.

2 重大會計政策概要(續)

2.1 編製基準(續)

- (b) *尚未採納的新訂及經修訂準則(續)*

香港財務報告準則第15號來自客戶合約的收入(續)

- 確認合約成本的時間

根據香港財務報告準則第15號，倘履行與一名客戶所訂立的合約所產生的成本不屬於另一準則的範圍內，則僅會於所產生的成本屬以下情況方會確認資產：(i)與一項可明確識別的合約或預期合約直接相關；(ii)產生或提升實體將於未來用作履行履約責任的資源；及(iii)預期將會收回。與合約中的特定履約責任(或部份已履行的履約責任)相關的成本，以及實體無法分辨是否與未履行的履約責任或已履行的履約責任相關的成本，將根據香港財務報告準則第15號於產生時支銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- (b) *New and amended standards not yet adopted (Continued)*

HKFRS 15 Revenue from Contracts with Customers (Continued)

- *Timing of recognition of contract costs (Continued)*

Currently, contract costs of the Group are recognised by reference to the stage of completion of the contract, which is measured by reference to the percentage of the estimated total revenue for the contracts entered into by the Group that have been performed to date. Under HKFRS 15, costs incurred at the initial stage that generate or enhance resources to be utilised subsequently in fulfilling the performance obligation will be recognised as contract assets to be amortised on a systematic basis with the transfer to the customer of the services to which assets relates, while contract costs that related to satisfy performance obligations are expensed as incurred.

The Group intends to adopt the standard for all uncompleted contracts as at 1 April 2018 using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in the retained earnings as of 1 April 2018 and that comparatives will not be restated.

2 重大會計政策概要(續)

2.1 編製基準(續)

- (b) *尚未採納的新訂及經修訂準則(續)*

香港財務報告準則第15號來自客戶合約的收入(續)

- *確認合約成本的時間(續)*

現時，本集團的合約成本乃參考合約的完成階段確認，而完成階段是參考本集團迄今已履行合約佔估計有關合約總收入的百分比計量。根據香港財務報告準則第15號，產生或增加其後將用於履行履約責任的資源的初始階段產生的成本將確認為合約資產，系統地按與資產相關的服務轉移給客戶的方式攤銷，而與履行履約責任有關的合約成本則於錄得時支銷。

本集團擬使用經修訂追溯法從而對2018年4月1日之所有尚未完成合約採納該準則，意即採納的累計影響將於2018年4月1日的保留盈利中確認，而相關比較數字將不會重列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards not yet adopted (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

Based on the preliminary assessment, the continual use of output method under HKFRS 15 in measuring the percentage of completion is not expected to significantly affect the timing and amount of revenue recognition upon adoption. On the other hand, HKFRS 15 includes contract cost guidance that could result in a change in the measurement and recognition of contract costs as compared to the accounting policy currently adopted by the Group. For the incremental costs of obtaining a contract with a customer and the cost related directly to a contract or an anticipated contract, such as set up costs, that generate or enhance resources to fulfill the future performance, the Group shall recognise this as an asset and amortise such asset over the period of contract performance. The Group will no longer be able to defer costs if the performance obligation qualifies for over-time recognition unless such costs qualify for capitalisation based on either the costs to obtain or costs to fulfill the contract guidance, meaning costs relating to the satisfied performance obligation will be expensed as incurred. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity in accordance to the current standard while costs incurred in satisfying a performance obligation are charged to expense as incurred under HKFRS 15.

Since the Group will continue to use output method to measure progress, which is other than cost-to-cost method, this will likely result in uneven margins in individual reporting periods over the life of the contract. The Group is not yet in a position to provide quantified information and the new standard is not expected to apply until the financial year ending 31 March 2019.

2 重大會計政策概要(續)

2.1 編製基準(續)

(b) 尚未採納的新訂及經修訂準則(續)

香港財務報告準則第15號來自客戶合約的收入(續)

根據初步評估，預期按照香港財務報告準則第15號持續使用輸出法計量完工百分比不會對採納後的收入確認之時間及金額產生顯著影響。另一方面，香港財務報告準則第15號包括合約成本指引，與本集團現時採納的會計政策相比，可能導致合約成本的計量及確認出現變動。對於產生或增加資源以履行未來履約而與客戶取得合約的增量成本以及直接與合約或預期合約相關的成本（例如設置成本），本集團應將其確認為資產並在合約履行期間攤銷該資產。倘若履約義務符合隨時間確認之條件，本集團將不再能夠將成本遞延，除非有關成本根據獲得成本或履行合約指引之成本符合資格撥充資本，意味著與已履行履約義務相關的成本將會在錄得時支銷。根據現行準則，合約成本參照合約活動完成階段支銷，而履行履約責任產生的成本則按香港財務報告準則第15號於錄得時支銷。

由於本集團將繼續使用輸出法來計量進度，而非工程成本比例法，此應會導致合約期內個別報告期間的利潤率不平均。本集團尚未可提供量化資料，預期新準則將直至截至2019年3月31日止財政年度方予應用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards not yet adopted (Continued)

HKFRS 16 Leases

HKFRS 16 will result in almost all leases being recognised on the consolidated balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$14,792,000, see note 23(b). Directors do not foresee any material impact on the net profit of the Group as a result of adoption of HKFRS 16.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

2 重大會計政策概要(續)

2.1 編製基準(續)

(b) 尚未採納的新訂及經修訂準則(續)

香港財務報告準則第16號租賃

香港財務報告準則第16號將引致絕大部分租賃於綜合資產負債表確認，乃因經營與融資租賃間之區分被刪除。根據新準則，資產(使用租賃項目之權利)及支付租金之金融負債被確認。唯一之例外情況是短期及低價值租賃。

出租人入賬將無重大變化。

該準則將主要影響本集團經營租賃之入賬。於報告日期，本集團擁有不可撤銷經營租賃承擔14,792,000港元(附註23(b))。董事並不預期因採納香港財務報告準則第16號會對本集團純利有任何重大影響。

若干承擔可能因短期及低價值租賃而屬例外情況，及若干承擔可能與不符合租賃條件(按香港財務報告準則第16號)之安排有關。

新準則於2019年1月1日或之後開始之財政年度強制施行。於此階段，本集團不擬於其生效日期前採納該準則。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation

2.2.1 Subsidiaries

Subsidiaries are all entities (including structured 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 (note 2.2.2).

Intercompany 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 重大會計政策概要(續)

2.2 附屬公司

2.2.1 綜合入賬

附屬公司為本集團控制的所有實體(包括結構實體)。倘本集團須承擔或享有參與實體活動可變回報的風險及權利，且有能力透過其指示對實體活動之權力影響該等回報時，則本集團對該實體擁有控制權。附屬公司自控制權轉入本集團之日起全面綜合入賬，自停止控制之日起取消綜合入賬。

本集團應用會計收購法將業務綜合入賬(附註2.2.2)。

公司間交易、結餘和集團公司之間交易的未變現收益予以抵銷。未實現的虧損亦予抵銷，除非交易提供所轉移資產減值的憑證。附屬公司的會計政策乃於必要時更改，以確保與本集團採納的政策保持一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation (Continued)

2.2.2 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, the liabilities incurred to the former owners of the acquired business, the equity interests issued by the group, the fair value of any asset or liability resulting from a contingent consideration arrangement, and the 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.

2 重大會計政策概要 (續)

2.2 附屬公司 (續)

2.2.2 業務合併

無論所收購的是權益工具或其他資產，所有業務合併均按會計收購法入賬。就收購附屬公司轉讓的代價包括所轉讓資產、所收購業務的前擁有人所錄得的負債、集團發行的股權之公平值、或然代價安排產生的任何資產或負債的公平值，以及於該附屬公司的任何聆既有股權的公平值。

除有限的例外情況，業務合併過程中所收購的可識別資產以及承擔的負債及或然負債最初按收購日期的公平值計量。本集團以每宗收購為基準而按公平值或非控股權益按比例應佔所收購實體可識別資產淨值而確認於所收購實體的任何非控股權益。

與收購有關的費用於產生時支銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation (Continued)

2.2.2 Business combinations (Continued)

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.

2.2.3 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 重大會計政策概要(續)

2.2 附屬公司(續)

2.2.2 業務合併(續)

所轉讓代價、所收購實體的任何非控股權益金額、以及所收購實體之前任何權益在收購日期的公平值超出所收購可識別資產淨值公平值的差額記錄為商譽。倘該等金額低於所收購業務的可識別資產淨值的公平值，則差額直接於損益中確認為廉價購買。

2.2.3 獨立財務報表

於附屬公司之投資乃按成本減減值入賬。成本包括投資直接應佔成本。附屬公司之業績乃由本公司按已收及應收股息基準入賬。

倘股息超過附屬公司於宣派股息期間之全面收入總額或倘於獨立財務報表內投資之賬面值超過被投資方之資產淨值(包括商譽)於綜合財務報表內之賬面值，則於自該等投資收取股息時，須對於附屬公司之投資進行減值測試。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 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 that makes strategic decisions.

2.4 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. 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 profit or loss.

2 重大會計政策概要 (續)

2.3 分部報告

經營分部的呈報方式與向主要經營決策者提供內部報告的方式一致。作出策略性決定的執行董事為主要經營決策者，負責分配資源及評估經營分部表現。

2.4 外幣匯兌

(a) 功能及呈列貨幣

本集團各實體財務報表內所包含項目，均以該實體經營所在主要經濟環境的貨幣（「功能貨幣」）計量。綜合財務報表以港元呈列，港元為本公司的功能貨幣及本集團的呈列貨幣。

(b) 交易及結餘

外幣交易均按交易當日適用的匯率換算為功能貨幣。上述交易結算以及以外幣計值的貨幣資產及負債按年末匯率換算產生的外匯損益均於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as in other comprehensive income.

2 重大會計政策概要(續)

2.4 外幣匯兌(續)

(c) 集團公司

本集團旗下功能貨幣與呈列貨幣不同的所有實體(有關實體並無具有惡性通貨膨脹經濟的貨幣)的業績及財務狀況，均按以下方法換算為呈列貨幣：

- 每份呈列的資產負債表的資產及負債均以資產負債表結算日的收市匯率換算；
- 每份全面收益表的收入及開支均按平均匯率換算(除非此平均數並非合理接近交易日適用匯率之累積影響，於此情況下，收入及開支按交易日期之匯率換算)；及
- 所有因此而產生的匯兌差額於其他全面收入內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

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

Depreciation of both owned and leased plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over the estimated useful lives, as follows:

Machinery and equipment	10-15 years
Furniture and fixtures	5 years
Motor vehicles	5 years

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

2 重大會計政策概要 (續)

2.5 機械及設備

機械及設備按歷史成本減累計折舊與累計減值列賬。歷史成本包括收購資產直接應佔的開支。

當與資產有關之未來經濟利益可能流入本集團，以及資產成本能可靠計量時，其後成本方會計入資產的賬面值或確認為獨立資產（如適用）。重置部分的賬面值同時取消確認。所有其他維修及保養費於產生當期在損益支銷。

自置及租賃機械及設備以直線法按其估計可使用年期將其成本值分配至其剩餘價值計算折舊。估計可使用年期如下：

機械及設備	10至15年
傢具及裝置	5年
汽車	5年

資產的剩餘價值及可使用年期於各報告期末檢討及調整（如適宜）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Plant and equipment (Continued)

An asset's carrying amount is written down immediately to its recoverable amount of the asset's carrying amount is greater than its estimated recoverable amount (note 2.6).

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the consolidated statement of comprehensive income.

2.6 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed 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 of disposal 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 (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 重大會計政策概要(續)

2.5 機械及設備(續)

倘資產之賬面值超過其估計可收回金額，則該資產之賬面值即時撇減至其可收回金額(附註2.6)。

出售所產生利得或虧損通過所得款項與賬面值的比較釐定，並於綜合全面收益表內確認。

2.6 非金融資產的減值

當有事件出現或情況改變顯示賬面值可能無法收回時，需攤薄之資產會就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額的差額確認。可收回金額為資產的公平值減銷售成本或使用價值兩者中的較高者。於評估減值時，資產按可單獨分辨的最小現金流量產生單位(現金產生單位)予以分類。倘商譽以外之非金融資產出現減值，則於各報告日期檢討是否有減值可予撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets

2.7.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and retention receivables", "deposits and other receivables" (note 2.10), "restricted bank balances", and "cash and cash equivalents" (noted 2.12) in the consolidated balance sheet.

2 重大會計政策概要(續)

2.7 金融資產

2.7.1 分類

本集團將其金融資產分類以下類別：貸款及應收款項以及可供出售。分類視乎購入金融資產的目的而定。管理層在初步確認時釐定金融資產的分類。

(a) 貸款及應收款項

貸款及應收款項為有固定或可釐定付款但無活躍市場報價的非衍生金融資產。此等項目計入流動資產內，惟報告期結束後超過12個月償付或預計將予償付的金額除外。其乃分類為非流動資產。本集團之貸款及應收款項包括於綜合資產負債表之「應收貿易款項及保留金」、「按金及其他應收款項」(附註2.10)、「受限制銀行結餘」及「現金及現金等價物」(附註2.12)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets (Continued)

2.7.1 Classification (Continued)

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.7.2 Recognition and measurement

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.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

2 重大會計政策概要(續)

2.7 金融資產(續)

2.7.1 分類(續)

(b) 可供出售金融資產

可供出售金融資產為被指定作此類別或並無分類為任何其他類別之非衍生工具。除非投資到期或管理層有意在報告期末後十二個月內出售該投資，否則此等資產列在非流動資產內。

2.7.2 確認及計量

以常規方式買入及出售的金融資產於集團承諾買入或出售資產的交易日確認。當收取來自金融資產之現金流量的權利到期或經已轉讓，而集團已將所有權的所有風險和回報實際轉移時，金融資產即終止確認。

當分類為可供出售之證券售出時，在其他全面收入中確認之累計公平值調整重新分類至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets (Continued)

2.7.2 Recognition and measurement (Continued)

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised in other comprehensive income.

2.7.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Group currently has 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. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2 重大會計政策概要 (續)

2.7 金融資產 (續)

2.7.2 確認及計量 (續)

在首次確認時，集團以公平值加上（若金融資產並非按公平值透過損益列賬）收購金融資產直接應佔之交易成本計量。按公平值透過損益列賬之金融資產之交易成本於損益支銷。

貸款及應收款項採用實際利率法按攤銷成本進行後續計量。

可供出售金融資產其後按公平值列賬。公平值變動產生的收益或虧損在其他全面收入中確認。

2.7.3 抵銷金融工具

若本集團現時擁有具法律約束力之行使權可抵銷已確認之金額及有意作淨額結算或同時變現資產及負債，則抵銷金融資產及負債，並於資產負債表內報告淨額。本集團亦已訂立不符合對銷準則但仍允許有關金額於若干情況（例如破產或終止合約）對銷的安排。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(a) Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument’s fair value using an observable market price.

2 重大會計政策概要(續)

2.8 金融資產減值

本集團會於各報告期末評估是否有客觀證據顯示某一項金融資產或某一組金融資產已減值。當有客觀證據顯示於初次確認資產後曾發生一宗或多宗導致減值的事件(「虧損事件」)，而該宗或該等虧損事件對該項或該組金融資產的估計未來現金流量構成能可靠地估計的影響，則該項或該組金融資產已減值及產生減值虧損。對於分類為可供出售的股本投資，證券的公平值大幅或長期下降低於其成本則視為資產出現減值的指標。

(a) 按攤銷成本列賬之資產

就貸款及應收款項而言，虧損金額乃根據資產賬面值與按金融資產原實際利率貼現的估計未來現金流量(不包括尚未產生的未來信用損失)現值之間的差額計量。資產的賬面值會被削減，而虧損金額則在損益內確認。倘貸款按浮動利率計息，計量任何減值虧損的貼現率為按合約釐定的當前實際利率。作為可行的權宜之計，集團可利用可觀察市場價格按某工具的公平值計量減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Impairment of financial assets (Continued)

(a) Assets carried at amortised cost (Continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

(b) Assets classified as available for sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

2 重大會計政策概要 (續)

2.8 金融資產減值 (續)

(a) 按攤銷成本列賬之資產 (續)

倘減值虧損金額於其後期間減少，而能客觀釐定有關減幅與確認減值後發生的事件相關（如債務人的信貸評級改善），則撥回過往確認的減值虧損，並於損益內確認。

(b) 分類為可供出售之資產

倘有客觀證據顯示可供出售金融資產出現減值，則累計虧損（按收購成本與現時公平值之差額減去該金融資產先前於損益確認之任何減值虧損計量）從權益中剔除並在損益中確認。

於損益確認之股本工具之減值虧損於其後期間並不通過損益撥回。

倘分類為可供出售債務工具之公平值於其後期間增加，而有關增加可客觀地與減值虧損於損益確認後發生之事件有關，則減值虧損會通過損益撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Leased assets

The Group leases certain machinery and equipment. Leases of machinery and equipment where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased machinery and equipment and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other short-term and other long-term payables. The interest element of the finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The machinery and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.10 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed 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.

2 重大會計政策概要(續)

2.9 租賃資產

本集團租賃若干機械及設備。若本集團擁有機械及設備租賃所有權的絕大部分風險及回報，該等機械及設備租賃歸類為融資租賃。融資租賃在租賃開始時按租賃機械及設備的公平值與最低租賃付款現值兩者的較低者撥充資本。

每項租金於負債及財務開支之間分攤，以達到佔融資餘額的固定比率。相應租賃責任在扣除財務開支後計入其他短期及其他長期應付款項內。財務費用的利息部分於租賃期內在綜合全面收益表內支銷，以使佔各期間的負債餘額產生常數定期比率。根據融資租購入的機械及設備按資產的可使用年期及租賃期兩者之間的較短者計提折舊。

2.10 應收貿易款項及其他應收款項

應收貿易款項為在日常經營活動中就銷售商品或提供服務而應收客戶的款項。如應收貿易款項及其他應收款項的收回預期在一年或以內（如仍在正常經營週期中，則可較長時間），其被分類為流動資產；否則呈列為非流動資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Trade and other receivables (Continued)

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. See note 2.7.1(a) for further information about the Group's accounting for trade receivables and note 2.8(a) for a description of the Group's impairment policies.

2.11 Construction contracts

A construction contract is defined by HKAS 11 Construction contracts, as a contract specifically negotiated for the construction of an asset.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

2 重大會計政策概要 (續)

2.10 應收貿易款項及其他應收款項 (續)

應收貿易款項及其他應收款項初步按公平值確認，其後以實際利率法按攤銷成本減減值準備計算。本集團有關應收貿易款項之會計處理之其他資料載於附註2.7.1(a)，而本集團有關減值政策之描述載於附註2.8(a)。

2.11 建築合約

香港會計準則第11號「建築合約」對建築合約的定義為就建造一項資產而特定商議的一項合約。

若建築合約的結果能可靠估計，而該合約很可能獲得盈利，則合約收入參照完工階段於合約期內確認。合約成本乃參照合約活動的完成階段於報告期末確認為費用。當總合約成本有可能超過總合約收入時，將預計虧損即時確認為費用。

若建築合約的成果無法可靠估計，則合約收入只能就有可能收回的已產生合約成本的數額確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Construction contracts (Continued)

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The Group uses the “percentage-of-completion method” to determine the appropriate amount of revenue to recognise in a given period. The stage of completion is measured by reference to work performed to date as a percentage of total contract value.

On the consolidated balance sheet, the Group reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

2.12 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with banks, other short-term highly liquid investments with original maturity of three months or less.

2.13 Share capital

Ordinary shares are classified as equity.

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

2 重大會計政策概要(續)

2.11 建築合約(續)

合約工程變動、索償及獎金款項應在客戶同意及在能可靠計量的情況下計入合約收入。

本集團採用「完成百分比法」釐定在某段期間內應確認的收入金額。完成階段乃參照截至結算日為止已進行工程佔總合約價值的百分比計算。

於綜合資產負債表，本集團將各合約的淨合約倉位匯報為資產或負債。若一項合約所錄得的成本加上已確認的溢利(減去已確認虧損)超過進度付款，則代表一項資產，反之則代表一項負債。

2.12 現金及現金等價物

於綜合現金流量表內，現金及現金等價物包括手頭現金及銀行通知存款、原到期日不超過三個月其他短期高度流通投資。

2.13 股本

普通股被分類為權益。

直接歸屬於發行新股的新增成本在權益中列為所得款項的減少(扣除稅項)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 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 payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

2.15 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 profit or loss 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 pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2 重大會計政策概要 (續)

2.14 應付貿易款項及其他應付款項

應付貿易款項乃就日常業務過程中從供應商購買的貨品或服務付款的責任。如應付貿易款項的支付日期在一年或以內(如若長於一年,但於正常業務經營週期內),則被分類為流動負債。否則,在非流動負債中呈列。

應付貿易款項及其他應付款項初步按公平值確認,隨後用實際利率法按攤銷成本計量。

2.15 借款

借款初步按公平值扣除已產生的交易成本確認。借款其後按攤銷成本列賬,所得款項(扣除交易成本)與贖回價值的任何差額於借款期內使用實際利率法於損益內確認。

在貸款將很有可能部分或全部提取的情況下,就設立貸款融資時支付的費用確認為貸款的交易成本。在此情況下,該費用將遞延至提取貸款為止。在並無跡象顯示該貸款將很有可能部分或全部提取的情況下,該費用會資本化作為流動資金服務的預付款項,並於有關融資期間內予以攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Borrowings (Continued)

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

2.16 Borrowing costs

Borrowing costs are charged to the profit or loss in the period in which they are incurred.

2.17 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 any one item included in the same class of obligations may be small.

2 重大會計政策概要(續)

2.15 借款(續)

若合約所指定的責任被解除、取消或終止時，借款會從綜合資產負債表被取消。

除非本集團有權無條件將債務結算遞延至結算日後至少十二個月，否則借款將被分類為流動負債。

2.16 借款成本

借款成本於其產生期間在損益中支銷。

2.17 撥備

當本集團須就已發生的事件承擔現有的法定或推定責任，而履行該責任很可能會導致資源流出，而資源流出金額能可靠估計，則確認撥備。不會就未來經營虧損確認撥備。

倘出現多項類似責任，則履行該責任是否會導致資源流出須對責任類別作整體考慮後釐定。即使同類別責任中的任何一項導致資源流出的可能性很低，仍須確認撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Provisions (Continued)

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 expense.

2.18 Current and deferred income tax

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

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet 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 重大會計政策概要 (續)

2.17 撥備 (續)

撥備採用稅前比率(可反映現時市場對貨幣時間價值及該責任的特定風險的評估),按預期履行責任所需開支的現值計量。因時間過去而增加的撥備確認為利息開支。

2.18 即期及遞延所得稅

本年度所得稅開支或抵免額為根據各司法管轄權區的適用稅率按本年度應課稅收入計算的應繳稅項,並且就歸屬於暫時差異的遞延稅項資產及負債的變動以及未使用的稅項虧損作出調整。

(i) 即期所得稅

即期所得稅支出乃根據本集團營運所在及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況。其在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Current and deferred income tax (Continued)

(ii) Deferred income tax

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

2 重大會計政策概要(續)

2.18 即期及遞延所得稅(續)

(ii) 遞延所得稅

遞延所得稅採用負債法就資產及負債的稅基與其於綜合財務報表的賬面值之間的暫時性差額悉數撥備。然而，倘遞延稅項負債自初步確認商譽產生則不會予以確認。倘遞延所得稅乃產生自交易(業務合併除外)中初步確認的資產或負債，且對交易當時的會計或應課稅溢利或虧損並無影響，亦不會入賬。遞延所得稅乃根據報告期末已頒佈或實際頒佈，並預期於有關遞延所得稅資產變現或遞延所得稅負債清償時適用的稅率(及法例)釐定。

遞延稅項資產僅在未來將有應課稅金額以利用有關暫時差異和虧損時才予以確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Current and deferred income tax (Continued)

(ii) Deferred income tax (Continued)

Deferred tax liabilities and assets 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax 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 tax is recognised in profit or loss, 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 重大會計政策概要 (續)

2.18 即期及遞延所得稅 (續)

(ii) 遞延所得稅 (續)

若有關公司能夠控制暫時差異撥回的時間，且該等差異可能不會於可預見將來撥回，則並無就賬面值與外國業務投資之稅項基準之間的暫時差額而確認遞延稅項負債及資產。

遞延稅項資產及負債在有合法可執行權利抵銷即期稅項資產及負債以及遞延稅項結餘與同一稅務機關有關時予以抵銷。當實體擁有合法可執行權利以抵銷並擬以淨額基準結算或變現資產並同時結清負債時，即期稅項資產及稅項負債予以抵銷。

即期及遞延稅項於損益內確認，惟與於其他全面收入或直接於權益確認的項目有關者除外。其時，稅項亦分別在其他全面收入或直接於權益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Government grants

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

Government grants 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.

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met. Revenue is shown net of discounts and after eliminating sales within the Group.

Revenue from construction contracts is recognised based on the stage of completion of the contracts as detailed in note 2.11 above.

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

2 重大會計政策概要 (續)

2.19 政府補助

當能夠合理地保證補助將可收取，而本集團將會符合所有附帶條件時，將政府提供的補助按其公平值確認入賬。

與成本有關之政府補助遞延入賬，並按擬補償之成本配合其所需期間在損益中確認。

2.20 收入確認

收入包括於本集團的日常業務過程中就銷售貨品及服務所收或應收代價的公平值。本集團於收入金額能夠可靠計量、未來經濟利益有可能流入實體及已符合特定標準時確認收入。收入乃經扣除折扣以及抵銷本集團內部的銷售後呈列。

建築合約的收入根據合約完成階段確認（詳見上文附註2.11）。

利息收入以實際利率法確認。如貸款及應收款項出現減值，本集團會將其賬面值撇減至其可收回金額，即按該工具原定實際利率折現的估計未來現金流量，並繼續將折現金額兌現作利息收入。有關減值貸款及應收款項的利息收入按原定實際利率確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 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) Retirement benefits

The Group operates defined contribution plans and pays contributions to publicly or privately administered pension insurance 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 重大會計政策概要 (續)

2.21 僱員福利

(a) 僱員應享假期

僱員享有年假的權利在僱員應享有時確認。本公司就截至結算日止僱員已提供的服務所產生的年假的估計負債作出撥備。

僱員可享有的病假及產假或陪妻分娩假於休假時方予確認。

(b) 退休福利

本集團設有定額供款計劃，並按強制規定、合約或自願基準向由公營或私營機構管理的退休金保險計劃作出供款。本集團於支付有關供款後再無其他付款責任。有關供款於到期時確認為僱員福利開支。預付供款於可能有現金退款或可用作扣減日後供款時確認為資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 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 when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. 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.

2.22 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are charged to the profit or loss on a straight-line basis over the period of the lease.

2 重大會計政策概要(續)

2.21 僱員福利(續)

(c) 離職福利

離職福利於僱員在正常退休日期前被本集團終止僱用，或僱員自願接受遣散以換取該等福利時支付。本集團於其明確承諾根據具體正式計劃終止現職僱員的僱用且不可能撤回承諾時確認離職福利。在提出鼓勵自願接受遣散要求的情況下，離職福利會根據預期接受要約的僱員人數計量。於結算日後十二個月以上到期的福利將折算為現值。

2.22 經營租賃

所有權的大部分風險及回報由出租人保留的租賃均分類為經營租賃。根據經營租賃支付的款項(經扣除自出租人收取的任何獎勵後)於租賃年期內以直線法於損益支銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements and Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.24 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 重大會計政策概要(續)

2.23 股息分派

向本公司股東分派的股息在本公司股東或董事(如適合)批准派息的期間於本集團的綜合財務報表及本公司的財務報表內列為負債。

2.24 或然負債

或然負債指因已發生的事件而可能引起的責任，而須視乎日後會否出現一宗或多宗本集團無法完全控制的不確定事件方可確實。或然負債亦可能是已發生的事件引致的現有責任，但由於未必需要流出經濟資源或負債數額無法可靠估計而未有確認。

或然負債不予確認，但於綜合財務報表的附註內披露。倘經濟資源流出的可能性改變而很可能流出經濟資源，則此等負債將確認為撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risk: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the directors of the Company. The Directors provide principles for an overall risk management, as well as policies covering specific areas.

(a) *Market risk*

(i) *Foreign exchange risk*

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the Company's functional currency.

The Group's transactions are mainly denominated in HK\$ and Macao Patacas ("MOP"). The majority of assets and liabilities are denominated in HK\$, MOP and Euro ("EUR"), and there are no significant assets and liabilities denominated in other currencies. Management considered that the foreign exchange risk for MOP is minimal since exchange rate fluctuation was minimal.

3 財務風險管理

3.1 財務風險因素

本集團的業務活動面對各種財務風險：市場風險（包括外匯風險及利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃著眼於金融市場的不可預測性，並盡量將其對本集團財務表現的潛在不利影響降至最低。

風險管理按照本公司董事批准的方針實施。董事就整體風險管理制訂原則，以及就特定範疇制訂政策。

(a) *市場風險*

(i) *外匯風險*

外匯風險來自以並非為本公司功能貨幣的貨幣計值的未來商業交易及已確認資產及負債。

本集團的交易主要以港元及澳門幣（「澳門幣」）結算。資產及負債大部分以港元、澳門幣及歐元（「歐元」）結算，且並無任何重大資產及負債以其他貨幣折算。管理層認為澳門幣的外匯風險極低，原因為澳門幣的匯率波動極微。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

As at 31 March 2018, if HK\$ had strengthened/weakened by 5% (2017: 5%) against EUR with all other variables held constant, the Group's net assets at the year end and profits for the year would have been HK\$1,453,000 (2017: HK\$2,847,000) higher/lower, respectively, mainly as a result of foreign currency gains/losses on translation of the bank borrowings dominated in EUR.

(ii) Interest rate risk

The Group's interest rate risk is mainly attributable to its cash and bank balances and borrowings. Except for borrowings with variable interest, the Group has no other significant interest-bearing liabilities. Borrowings at variable interest rates expose the Group to cash flow interest rate risk. Cash and bank balances at fixed rates expose the Group to fair value interest rate risk. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

於2018年3月31日，倘港元兌歐元匯價上升／下降5%（2017年：5%）而所有其他變數維持不變，則本集團於年結之資產淨值及年度溢利將分別上升／下降1,453,000港元（2017年：2,847,000港元），主要由於換算以歐元計值的銀行借貸產生的外幣收益／虧損。

(ii) 利率風險

本集團的利率風險主要源自其現金及銀行結餘以及借款。除了浮息借款外，本集團並無其他重要計息負債。浮息借款令本集團面對現金流量利率風險。按固定利率計息的現金及銀行結餘令本集團面對公平值利率風險。本集團並無使用利率掉期對沖其利率風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

As at 31 March 2018, if the interest rates on borrowings had been 100 basis-points higher/lower with all other variables held constant, post-tax profit for the year would be HK\$702,000 (2017: HK\$2,276,000) lower/higher mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, short-term deposits, restricted bank balances, trade and retention receivables and deposits and other receivables. The Group's maximum exposure to credit risk is the carrying amounts of these financial assets.

For the year ended 31 March 2018, 100% (2017: 97%) of the Group's revenue was derived from its top five (2017: two) customers. As at 31 March 2018, the Group had concentration of credit risk as 100% (2017: 100%) of the trade receivables were due from the Group's four (2017: three) customers.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 外匯風險(續)

於2018年3月31日，倘借款的利率上調／下調100個基點而所有其他變數維持不變，則年內除稅後溢利將分別減少／增加702,000港元（2017年：2,276,000港元），主要由於浮息借款的利息開支增加／減少所致。

(b) 信貸風險

本集團就其現金及現金等價物、短期存款、受限制銀行結餘、應收貿易款項及保留金，以及按金及其他應收款項而承受信貸風險。本集團承受的最大信貸風險為該等金融資產的賬面值。

截至2018年3月31日止年度，本集團來自五大（2017年：兩大）客戶的收入佔本集團收入的100%（2017年：97%）。於2018年3月31日，由於應收貿易款項的100%（2017年：100%）為應收本集團四名（2017年：三名）客戶的款項，故本集團有信貸集中風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

To manage this risk, management has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, management reviews regularly the recoverable amount of each individual trade and retention receivable to ensure that adequate impairment provision is made for the irrecoverable amounts.

The credit risk on deposits with bank is limited because deposits are in banks with sound credit ratings.

(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.

The Group maintains liquidity by a number of sources including orderly realisation of short-term financial assets, receivables and certain assets that the Group considers appropriate and long term financing including long-term borrowings are also considered by the Group in its capital structuring. The Group aims to maintain flexibility in funding by keeping sufficient bank balances and interest bearing borrowings which enable the Group to continue its business for the foreseeable future.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

為管理此風險，管理層一直監察有關程序以確保採取跟進行動收回逾期債項。此外，管理層會定期檢討各個別應收貿易款項及保留金的可收回金額，以確保就不可收回金額作出足夠減值撥備。

銀行存款的信貸風險有限，因為該等存款均存放於具良好信貸評級的銀行。

(c) 流動資金風險

流動資金風險指實體難以履行以交付現金或另一金融資產以清償金融負債的相關責任的風險。

本集團透過多種方式(包括於本集團認為適當的情況下有序變現短期金融資產、應收款項及若干資產)維持流動資金，本集團亦同時考慮將長期融資(包括長期借款)納入其資本結構內。本集團旨在透過保持充足銀行結餘及計息借款，從而維持資金的靈活彈性，讓本集團於可見將來繼續經營其業務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

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 date). 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. The maturity analysis for other borrowings is prepared based on the scheduled repayment dates. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

下表呈列根據於結算日至合約到期日的餘下期間按有關到期情況劃分的本集團金融負債分析。該表所披露的金額為合約未折現現金流量(包括根據合約利率計算的利息付款，或如按浮動利率計息，則為根據年結日的當前利率計算的利息付款)。如貸款協議內載有讓貸款人可隨時無條件要求償還之條款，此等貸款則歸類於貸款人最早可要求償還之時期。其他借款的到期日分析乃根據協定還款日期編製。由於折現的影響不大，於12個月內到期的結餘與其賬面值相等。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

As at 31 March 2018

Trade and retention payables	應付貿易款項 及保留金
Accruals and other payables	應計款項及其 他應付款項
Amount due to a director	應付一名 董事款項
Long-term bank loans	長期銀行貸款
Short-term bank loans	短期銀行貸款
Obligations under finance leases	融資租賃責任

於2018年 3月31日

應付貿易款項 及保留金
應計款項及其 他應付款項
應付一名 董事款項
長期銀行貸款
短期銀行貸款
融資租賃責任

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

less than 1 year	Between 1 and 2 years	Between 3 and 5 years	Total
少於一年	一至兩年	三至五年	總計
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元
53,432	-	-	53,432
7,936	-	-	7,936
-	-	3,147	3,147
19,680	4,996	2,016	26,692
29,109	-	-	29,109
17,852	7,855	1,443	27,150
128,009	12,851	6,606	147,466

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

	On demand and less than 1 year	Between 1 and 2 years	Between 3 and 5 years	Total	
	按要求及少於一年	一至兩年	三至五年	總計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	
As at 31 March 2017	於2017年3月31日				
Trade and retention payables	應付貿易款項及保留金	79,534	–	–	79,534
Accruals and other payables	應計款項及其他應付款項	12,973	–	–	12,973
Amount due to a director	應付一名董事款項	–	–	21,849	21,849
Long-term bank loans	長期銀行貸款	38,277	20,041	7,419	65,737
Short-term bank loans	短期銀行貸款	137,250	–	–	137,250
Obligations under finance leases	融資租賃責任	26,396	17,797	9,296	53,489
		294,430	37,838	38,564	370,832

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

	On demand and less than 1 year	Between 1 and 2 years	Between 3 and 5 years	Total	
	按要求及少於一年	一至兩年	三至五年	總計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	
As at 31 March 2017	於2017年3月31日				
Trade and retention payables	應付貿易款項及保留金	79,534	–	–	79,534
Accruals and other payables	應計款項及其他應付款項	12,973	–	–	12,973
Amount due to a director	應付一名董事款項	–	–	21,849	21,849
Long-term bank loans	長期銀行貸款	38,277	20,041	7,419	65,737
Short-term bank loans	短期銀行貸款	137,250	–	–	137,250
Obligations under finance leases	融資租賃責任	26,396	17,797	9,296	53,489
		294,430	37,838	38,564	370,832

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk 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 or sell assets to reduce borrowings. The Group monitors capital on the basis of gearing ratio. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash and cash equivalents, short-term bank deposit and restricted bank balances pledged for security of the borrowings. The gearing ratios were as follows:

Borrowings (including obligations under finance leases) (note 22)	借款(包括融資租賃責任)(附註22)
Less: cash and cash equivalents	減：現金及現金等價物
Net cash	現金淨額
Total equity	權益總額
Gearing ratio	資產負債比率

3 財務風險管理(續)

3.2 資本風險管理

本集團管理資本的目標是保障本集團有持續經營的能力，從而為股東帶來回報及為其他權益持有人提供利益，同時保持最佳的資本結構以降低資本成本。

本集團的資本結構包括權益及借款。為維持或調整資本架構，本集團或會調整支付予股東的股息金額、向股東發還資金、發行新股或出售資產以減少借款。本集團以資產負債比率監察資本。資產負債比率以負債淨額除以總權益計算。負債淨額以總借款減現金及現金等價物、短期銀行存款以及就作為借款抵押品所抵押之受限制銀行結餘計算。資產負債比率如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
81,111	251,741
(256,401)	(347,943)
(175,290)	(96,202)
685,720	696,231
N/A 不適用	N/A 不適用

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

The carrying amounts of the Group's financial assets (other than available-for-sale financial assets) and financial liabilities, including cash and cash equivalents, short-term bank deposits, restricted bank balances, trade and retention receivables, deposits and other receivables, trade and retention payables, other payables and borrowings approximate their fair values, which either due to their short-term maturities, or that they are subject to floating rates.

The carrying amount of amount due to a director was a reasonable approximation of its fair value.

The Group's financial instruments are measured in the consolidated balance sheet at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

3 財務風險管理(續)

3.3 公平值估計

本集團的金融資產(可供出售金融資產除外)及金融負債(包括現金及現金等價物、短期銀行存款、受限制銀行結餘、應收貿易款項及保留金、按金及其他應收款項、應付貿易款項及保留金、其他應付款項及借款)因到期日較短或按浮動利率計息，該等資產及負債的賬面值與彼等的公平值相若。

應付一名董事款項的賬面值為其公平值的合理約數。

本集團之金融工具按用以計算公平值之估值技術輸入值層級於綜合資產負債表按公平值入賬。該等輸入值按照公平值層級歸類為如下三層：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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) Estimated useful lives and residual values of plant and equipment

Management estimates useful lives of the plant and equipment by reference to the Group's business model, its assets management policy, the industry practice, expected usage of the assets, expected repair and maintenance, the technical or commercial obsolescence arising from changes or improvements in the market. Residual values of the machinery and equipment are determined based on prevailing market values for equivalent aged assets taking into account the condition of the relevant assets or the value of scrap metal and other economic considerations. Depreciation expense would be significantly affected by the useful lives and residual values of the plant and equipment as estimated by management.

If the residual values of plant and equipment had further decreased by 10%, the depreciation expenses would increase by HK\$4,984,000 for the year ended 31 March 2018 (2017: HK\$2,795,000).

4 重要會計估計及判斷

估計及判斷乃依據過去經驗及其他因素(包括在個別情況下對未來事件作出被認為合理的預期)作持續評估。

本集團對未來作出估計及假設。就會計估計的結果而言，顧名思義，絕少會與有關實際結果相同。有極高風險導致下個財政年度的資產及負債的賬面值作出重大調整的估計及假設討論如下。

(a) 機械及設備的估計可使用年期及剩餘價值

管理層乃參考本集團的業務模式、其資產管理政策、行業慣例、資產預期用途、預期維修及保養、因市場變化或改善導致的技術或商業方面過時，估計機械及設備的可使用年期。機械及設備的剩餘價值乃根據具同等賬齡資產的現行市值釐定，並計及有關資產的狀況或廢鐵的價值及其他經濟考慮因素。管理層所估計機械及設備的可使用年期及剩餘價值將對折舊費用有重大影響。

若機械及設備的剩餘價值進一步減少10%，則於截至2018年3月31日止年度的折舊費用將增加4,984,000港元(2017年：2,795,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Estimated impairment of plant and equipment

The Group's major operating assets represent machinery and equipment. Management performs review for impairment of the plant and equipment whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable.

Management considered there was no impairment indicator of machinery and equipment during the year as these assets were used for profitable construction projects, and there is a strong demand of these plant and equipment in the second hand market.

(c) Impairment of trade and retention receivables

Management determines the provision for impairment of trade and retention receivables based on the credit history of customers and the current market condition by business segment. Significant judgment is exercised on the assessment of the collectability of receivables from each customer. In making the judgment, management considers a wide range of factors such as results of follow-up procedures, customer payment trends including subsequent payments and customers' financial positions. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The final outcome of the recoverability of these receivables will impact the amount of impairment required.

4 重要會計估計及判斷(續)

(b) 機械及設備的估計減值

本集團的主要營運資產為機械及設備。倘有事件發生或情況改變顯示機械及設備的賬面值可能無法收回，則管理層會對該等資產進行減值評估。

由於機械及設備用於可賺取利潤的建築項目，且二手市場的需求強勁，管理層認為，機械及設備於有關期間並無減值跡象。

(c) 應收貿易款項及保留金減值

管理層根據客戶的信貸記錄及業務分部的現行市況釐定應收貿易款項及保留金的減值撥備。在評估每名客戶的應收款項可收回性時，會進行重大判斷。在進行判斷時，管理層會考慮一系列因素，如跟進程序的結果、客戶的付款趨勢(包括期後付款)及客戶的財務狀況。倘本集團客戶的財務狀況轉差而削弱其付款能力，則可能需要增加撥備。該等應收款項能否收回的最終結果將對所需的減值金額構成影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(d) Construction contracts

The Group reviews and revises the estimates of contract revenue, contract costs, variation orders and contract claims prepared for each construction contract as the contract progresses. Budgeted construction costs are prepared by the management on the basis of quotations from time to time provided by the major contractors, suppliers or vendors involved and the experience of the management. In order to keep the budget accurate and up-to-date, management conducts periodic reviews of the budgets of contracts by comparing the budgeted amounts to the actual amounts incurred. Such significant estimate may have impact on the profit recognised in each period.

The Group recognised its contract revenue according to the percentage of work performed to date of the individual contract of construction works as a percentage of total contract value. Because of the nature of the activity undertaken in construction contracts, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting period. The Group reviews and revised the estimates of contract revenue, contract costs, variation orders and contract claims prepared for each construction contract as the contract in progress. Management regularly reviews the progress of the contracts and the corresponding costs of the contract revenue.

4 重要會計估計及判斷(續)

(d) 建築合約

本集團於合約進行時檢討及修訂為各建築合約編製的合約收入、合約成本、變更項目及合約索償估計。管理層根據參與項目的主要承建商、供應商或服務供應商不時提供的報價及管理層的經驗編製建築成本預算。為維持準確及最新的預算，管理層通過比較預算金額及實際產生金額而定期對合約預算進行審閱。該項重大估計可能影響於各期間確認的溢利。

本集團根據各建築工程合約的截至結算日為止已進行工程佔總合約價值的百分比確認合約收入。由於根據建造合約進行活動的性質，合約活動的訂立日期與活動的完成日期通常屬於不同的會計期間。本集團會於合約進行時檢討及修訂為各建築合約編製的合約收入、合約成本、變更項目及合約索償估計。管理層定期檢討合約進度及合約收入的相應成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(e) Income taxes

The Group is subject to income taxes in Hong Kong and Macau. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4 重要會計估計及判斷(續)

(e) 所得稅

本集團須繳納香港及澳門所得稅。在決定所得稅撥備時，須作出重大判斷。有多項交易及計算難以釐定其最終稅務結果。本集團根據額外稅項會否到期的估算，確認預計稅項審計事宜的債項。若該等事宜的最終稅項結果與初步入賬的金額不同，則該等差異將對作出有關釐定的期間的即期及遞延所得稅資產及負債造成影響。



Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION

Revenue, 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:

Foundation works and ancillary services 地基工程及附屬服務

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.

(a) Segment information

The Group's revenue from external customers attributable to the countries in which the Group derives revenue and information about its non-current assets, excluding deferred income tax assets and available-for-sale financial assets, based on both the country of domicile of companies holding these assets and their physical location are detailed below:

Revenue from external customers

Hong Kong 香港
Macau 澳門

5 收入及分部資料

收入指在日常業務過程中地基工程及附屬服務的總合約收款，亦為本集團的營業額。確認的收入如下：

2018	2017
HK\$'000	HK\$'000
千港元	千港元
518,479	817,682

本公司的執行董事被確定為其主要營運決策人。執行董事將本集團的業務劃分為一個單一經營分部，並相應審閱財務資料。

(a) 分部資料

本集團來自外部客戶收入之國家及非流動資產（不包括遞延所得稅資產及可供出售金融資產）分類為持有該等資產的公司註冊所在國家及該等資產的實際所處位置的資料詳列如下：

來自外部客戶的收入

2018	2017
HK\$'000	HK\$'000
千港元	千港元
518,479	810,683
-	6,999
518,479	817,682

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION

(Continued)

(a) Segment information (Continued)

Non-current assets (excluding deferred income tax assets and available-for-sale financial assets)

Based on country of domicile of companies holding the assets and on physical location of the assets:

Hong Kong 香港

The machinery and equipment of the Group were owned by Sam Woo Bore Pile Foundation Limited ("SWBP") and Sam Woo Engineering Equipment Limited ("SWEE"), the country of domicile of both is Hong Kong.

(b) Revenue derived from major customers:

There were one (2017: two) customers which individually contributed over 10% of the Group's revenue for the year ended 31 March 2018. The revenue from the one customer amounted to HK\$420,221,000 for the year ended 31 March 2018 (2017: each of the two customers amounted to HK\$401,107,000 and HK\$390,856,000 respectively).

5 收入及分部資料(續)

(a) 分部資料(續)

非流動資產(不包括遞延所得稅資產及可供出售金融資產)

根據持有該等資產的公司註冊所在國家及資產實際所處位置：

2018	2017
HK\$'000	HK\$'000
千港元	千港元
578,657	634,292

本集團的機械及設備由三和地基有限公司(「三和地基」)及三和機械有限公司(「三和機械」)擁有，而該兩間公司的本籍國家均為香港。

(b) 來自主要客戶的收入：

截至2018年3月31日止年度，一名(2017年：兩名)客戶單獨地為本集團的收入貢獻超過10%。於截至2018年3月31日止年度來自該客戶的收入為420,221,000港元(2017年：來自兩名客戶各自的收入分別為401,107,000港元及390,856,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 OTHER GAIN/(LOSS), NET, AND OTHER INCOME

6 其他收益／(虧損)－淨額以及其他收入

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Other gain/(loss), net	其他收益／(虧損)－淨額		
Gain/(loss) on disposal of plant and equipment	出售機械及設備的收益／(虧損)	5,960	(19)
Write-off of plant and equipment	撇銷機械及設備	(172)	(1,101)
		5,788	(1,120)
Other income	其他收入		
Government grant	政府補助	162	214
Reimbursement from the deed of indemnity (note 16)	根據彌償契據獲得之償付款項(附註16)	18,876	-
		19,038	214

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 EXPENSES BY NATURE

7 按性質劃分的開支

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Cost of sales	銷售成本		
Construction contracts costs (note (a))	建築合約成本(附註(a))	441,310	638,093
Depreciation	折舊		
– owned plant and equipment	– 自置機械及設備	24,282	22,040
– leased plant and equipment	– 租賃機械及設備	2,140	2,715
Repair and maintenance	維修及保養	702	1,107
Others	其他	6,000	8,502
		474,434	672,457
Administrative expenses	行政開支		
Staff costs, including directors' emoluments (note (b))	員工成本(包括董事酬金)(附註(b))	15,372	14,055
Auditors' remuneration	核數師酬金	1,507	1,507
Depreciation	折舊		
– owned plant and equipment	– 自置機械及設備	549	513
Operating lease rental in respect of	以下各項的經營租賃租金		
– office and storage premises	– 辦公室及倉庫物業	10,363	8,334
– directors' quarters (note 29(a))	– 董事宿舍 (附註29(a))	2,167	2,167
Professional fees	專業費用	16,081	10,518
Motor vehicle expenses	汽車開支	1,927	2,262
Bank charges	銀行開支	585	961
Exchange loss/(gain)	匯兌虧損/(收益)	7,627	(981)
Others	其他	5,227	6,115
		61,405	45,451
Total cost of sales and administrative expenses	銷售成本及行政開支總額	535,839	717,908

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 EXPENSES BY NATURE (Continued)

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) Staff costs comprise:

Wages and salaries
Pension costs – defined contribution plans (note)

Employment benefits

Less: amount included in construction contracts costs or capitalized in work-in-progress

The Group participates in a Mandatory Provident Fund scheme (the “MPF Scheme”) in accordance with the Mandatory Provident Fund Scheme Ordinance of Hong Kong. Under the rules of the MPF Scheme, the employer and its employees in Hong Kong are each required to contribute 5% of the employees’ gross earnings with a ceiling of HK\$1,500 per month to the MPF Scheme.

The Group also participates in an employee social security plan (the “Social Security Plan”) and contributes a fixed amount for each employee as required by the regulations in Macau.

The only obligation of the Group with respect to the MPF Scheme and the Social Security Plan is to make the required contributions under the scheme.

7 按性質劃分的開支 (續)

附註：

(a) 建築合約成本包括但不限於建築材料成本、員工成本(參見下文附註(b))、顧問費用、零件及消耗品、分包費用及運輸費用。

(b) 員工成本包括：

工資及薪金
退休金成本—定額供款計劃
(附註)

僱員福利

減：計入建築合約成本或在建工程資本化金額

2018	2017
HK\$'000	HK\$'000
千港元	千港元
95,386	120,939
3,010	3,924
1,263	1,046
99,659	125,909
(84,287)	(111,854)
15,372	14,055

本集團根據香港《強制性公積金計劃條例》參與於強制性公積金計劃(「強積金計劃」)。根據強積金計劃的規則，香港僱主及其僱員須各自按僱員總收入的5%向強積金計劃作出供款，每月上限為1,500港元。

本集團亦按澳門法規規定為每名僱員參與僱員社會保障計劃(「社會保障計劃」)，並作出固定金額供款。

本集團就強積金計劃及社會保障計劃的唯一責任是根據有關計劃作出規定的供款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 EXPENSES BY NATURE (Continued)

notes: (Continued)

(c) Five highest paid individuals

For the year ended 31 March 2018, the five individuals whose emoluments were the highest in the Group include three directors (2017: three) whose emoluments were reflected in the analysis presented in note 29(a). The emoluments paid to the remaining two individuals (2017: two) are as follows:

Salaries, other allowances and benefits in kind	薪金、其他津貼及實物福利
Bonus	花紅
Pension costs - defined contribution plans	退休金成本－定額供款計劃

The emoluments of these individuals fell within the following bands:

HK\$1,000,001 - HK\$1,500,000	1,000,001港元至1,500,000港元
HK\$1,500,001 - HK\$2,000,000	1,500,001港元至2,000,000港元

No emolument was paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for the loss of office.

7 按性質劃分的開支(續)

附註：(續)

(c) 五名最高薪人士

截至2018年3月31日止年度，本集團五名最高薪人士分別包括三名(2017年：三名)董事，彼等的酬金於附註29(a)的分析中呈列。向其餘兩名(2017年：兩名)人士支付的酬金如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
2,628	2,376
194	182
36	38
2,858	2,596

該等人士的酬金介乎以下範圍：

Number of individuals 人數

2018 HK\$'000 千港元	2017 HK\$'000 千港元
1	2
1	-
2	2

本集團概無向任何董事或五名最高薪人士支付任何酬金作為加入本集團或加入本集團時的獎勵或離職補償。

Notes to the Consolidated Financial Statements

綜合財務報表附註

8 FINANCE INCOME AND COSTS

8 財務收入及成本

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Finance income	財務收入		
– Interest income on bank deposits	– 銀行存款的利息收入	2,637	2,677
Finance costs	財務費用		
– Interest expense on bank loans	– 銀行貸款利息開支	(2,783)	(6,173)
– Interest expense on obligations under finance leases	– 融資租賃責任的利息開支	(1,532)	(3,852)
– Interest expense on amount due to a director (note 26(b))	– 應付一名董事款項的利息開支 (附註26(b))	(163)	(305)
		(4,478)	(10,330)
Finance costs, net	財務費用－淨額	(1,841)	(7,653)

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 INCOME TAX EXPENSE

The amount of income tax charged to the consolidated statement of comprehensive income represents:

Hong Kong profits tax	香港利得稅
Current income tax	即期所得稅
Under-provision of current income tax in prior year	去年即期所得稅的撥備不足
Deferred income tax (<i>note 19</i>)	遞延所得稅 (<i>附註19</i>)
Macau profits tax	澳門所得補充稅
Under-provision of current income tax in prior year	去年即期所得稅的撥備不足

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 ended 31 March 2018 (2017: 16.5% and 12%).

9 所得稅開支

於綜合全面收益表支銷的所得稅金額指：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
2,493	3,054
—	25
(2,387)	8,885
—	271
106	12,235

截至2018年3月31日止年度，已就估計應課稅溢利分別按16.5%及12%稅率計提香港利得稅及澳門所得補充稅撥備（2017年：16.5%及12%）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 INCOME TAX EXPENSE (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of Hong Kong as follows:

9 所得稅開支(續)

本集團除所得稅前溢利的稅額與採用香港稅率計算的理論稅額的差異如下：

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Profit before income tax	除所得稅前溢利	5,625	91,215
Calculated at tax rate of 16.5%	按16.5%的稅率計算的稅項	928	15,050
Tax effects of:	以下各項的稅務影響：		
Tax rates of overseas operation	海外業務的稅率	(29)	86
Income not subject to tax	毋須課稅收入	(1,354)	(3,618)
Expenses not deductible for tax purposes	不可扣稅開支	688	6
Tax losses for which no deferred income tax asset was recognised	並無確認遞延所得稅資產的稅項虧損	19	455
Utilisation of previously unrecognised tax losses	動用以往並無確認之稅項虧損	(86)	-
Under-provision of income tax in prior year	去年所得稅的撥備不足	-	296
Tax concessions	稅項減免	(60)	(40)
Income tax expense	所得稅開支	106	12,235

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 DIVIDENDS

10 股息

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Interim dividend paid of HK nil cent (2017: HK0.5 cents) per ordinary share declared and paid (note (a))	已宣派及派付的中期股息每股普通股零港仙 (2017年：0.5港仙) (附註(a))	-	8,400
Final dividend proposed of HK nil cent (2017: HK1.0 cent) per ordinary share (note (b))	建議末期股息每股普通股零港仙 (2017年：1.0港仙) (附註(b))	-	16,800
		-	25,200

notes:

- (a) The Board resolved not to declare interim dividend for the year (2017: HK0.5 cents).
- (b) The board resolved not to propose final dividend for the year at the forthcoming annual general meeting.

A dividend in respect of the year ended 31 March 2017 of HK 1.0 cent per share, amounting to a total dividend of HK\$16,800,000 was paid during the year.

附註：

- (a) 董事會議決本年度不宣派中期股息 (2017年：0.5港仙)。
- (b) 董事會議決於應屆股東週年大會上不建議派發本年度末期股息。

本年度已派付截至2017年3月31日止年度股息每股1.0港仙，合共股息總額16,800,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 EARNINGS PER SHARE

(a) Basic

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

Profit attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔溢利（千港元）
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (thousands)	計算每股基本盈利的普通股加權平均數（千股）

Basic earnings per share (HK cents)	每股基本盈利（港仙）
-------------------------------------	------------

(b) Diluted

Diluted earnings per share is of the same amount as the basic earnings per share as there were no potential dilutive ordinary shares outstanding at the year end (2017: same).

11 每股盈利

(a) 基本

每股基本盈利乃根據本公司權益持有人應佔溢利除以相關年度已發行普通股加權平均數計算。

	2018	2017
Profit attributable to equity holders of the Company (HK\$'000)	5,519	78,980
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (thousands)	1,680,000	1,680,000
Basic earnings per share (HK cents)	0.33	4.70

(b) 攤薄

每股攤薄盈利與每股基本盈利相同（2017年：相同），此乃由於年末並無未行使的潛在攤薄普通股。

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 SUBSIDIARIES

12 附屬公司

Name 名稱	Place of incorporation 註冊成立地點	Issued and fully paid share capital 已發行及繳足股本	Effective interest held as at		Principal activities and place of operation 主營業務及營運地點
			2018	2017	
Directly held by the Company:					
由本公司直接持有：					
Sam Woo Group Limited	British Virgin Islands 英屬處女群島	US\$10,000 10,000美元	100%	100%	Investment holding 投資控股
Capital Plus Group Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	100%	100%	Investment holding 投資控股
Indirectly held by the Company:					
由本公司間接持有：					
Sam Woo Bore Pile Foundation Limited	Hong Kong	HK\$10,000,000	100%	100%	Foundation works and ancillary services in Hong Kong
三和地基有限公司	香港	10,000,000港元			於香港進行地基工程及 提供附屬服務
Sam Woo Construction & Engineering Limited	Hong Kong	HK\$100,000	100%	100%	Trading of and leasing of machinery and equipment in Hong Kong
三和建設機械有限公司	香港	100,000港元			於香港買賣及租賃機械及設備
Sam Woo Engineering Equipment Limited	Hong Kong	HK\$500,000	100%	100%	Leasing of machinery and equipment in Hong Kong
三和機械有限公司	香港	500,000港元			於香港租賃機械及設備
Sam Woo Foundation Limited	Macau	MOP30,000	100%	100%	Foundation works and ancillary services in Macau
Sam Woo地基有限公司	澳門	澳門幣30,000			於澳門進行地基工程及 提供附屬服務

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 SUBSIDIARIES (Continued)

12 附屬公司 (續)

Name 名稱	Place of incorporation 註冊成立地點	Issued and fully paid share capital 已發行及繳足股本	Effective interest held as at		Principal activities and place of operation 主營業務及營運地點
			2018	2017	
Indirectly held by the Company (Continued):					
由本公司間接持有：(續)					
Sam Woo Construction Limited	Hong Kong	HK\$10,000	100%	100%	Foundation works and ancillary services in Hong Kong
三和營造有限公司	香港	10,000港元			於香港進行地基工程及 提供附屬服務
Sam Woo Civil Contractors Limited	Hong Kong	HK\$10,000	100%	100%	Inactive
三和土木工程有限公司	香港	10,000港元			暫無營業
Sam Woo Civil Works Limited	Hong Kong	HK\$2	100%	100%	Inactive
三和土木有限公司	香港	2港元			暫無營業
Sam Woo Foundation Limited	Hong Kong	HK\$2	100%	100%	Foundation works and ancillary services in Hong Kong
三和地基工程有限公司	香港	2港元			於香港進行地基工程及 提供附屬服務
Sam Woo Finance Limited	Hong Kong	HK\$2	100%	100%	Provision of financial services to group companies
三和財務有限公司	香港	2港元			向集團公司提供金融服務
Sam Woo Offshore Engineering Limited	Hong Kong	HK\$1	100%	100%	Inactive
三和海洋工程有限公司	香港	1港元			暫無業務

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 SUBSIDIARIES (Continued)

12 附屬公司(續)

Name 名稱	Place of incorporation 註冊成立地點	Issued and fully paid share capital 已發行及繳足股本	Effective interest held as at		Principal activities and place of operation 主營業務及營運地點
			2018	2017	
Indirectly held by the Company (Continued):					
由本公司間接持有：(續)					
Sam Woo Asia Development Group Limited 三和亞洲發展集團有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Inactive 暫無業務
Sam Woo Foundation Group Limited 三和地基集團有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Inactive 暫無業務
Redland Contractors Limited	Hong Kong	HK\$2	100%	100%	Foundation works and ancillary services in Hong Kong 於香港進行地基工程及 提供附屬服務
中威營造有限公司	香港	2港元			

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 PLANT AND EQUIPMENT

13 機械及設備

		Machinery and equipment 機械及設備 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2016	於2016年3月31日				
Cost	成本	787,926	1,663	9,010	798,599
Accumulated depreciation	累計折舊	(185,074)	(1,279)	(6,680)	(193,033)
Net book amount	賬面淨值	602,852	384	2,330	605,566
Year ended 31 March 2017	截至2017年3月31日止年度				
Opening net book amount	年初賬面淨值	602,852	384	2,330	605,566
Additions	添置	53,178	133	1,066	54,377
Written-off	撇銷	(1,101)	-	-	(1,101)
Disposals	出售	-	-	(47)	(47)
Depreciation	折舊	(24,311)	(155)	(802)	(25,268)
Closing net book amount	年終賬面淨值	630,618	362	2,547	633,527
At 31 March 2017	於2017年3月31日				
Cost	成本	836,934	1,796	8,776	847,506
Accumulated depreciation	累計折舊	(206,316)	(1,434)	(6,229)	(213,979)
Net book amount	賬面淨值	630,618	362	2,547	633,527
Year ended 31 March 2018	截至2018年3月31日止年度				
Opening net book amount	年初賬面淨值	630,618	362	2,547	633,527
Additions	添置	327	110	720	1,157
Written-off	撇銷	(172)	-	-	(172)
Disposals	出售	(31,789)	-	-	(31,789)
Depreciation	折舊	(25,930)	(162)	(879)	(26,971)
Closing net book amount	年終賬面淨值	573,054	310	2,388	575,752
At 31 March 2018	於2018年3月31日				
Cost	成本	804,783	1,287	9,380	815,450
Accumulated depreciation	累計折舊	(231,729)	(977)	(6,992)	(239,698)
Net book amount	賬面淨值	573,054	310	2,388	575,752

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 PLANT AND EQUIPMENT (Continued)

- (a) The net book amount of plant and equipment held under finance lease obligations comprises (note 22(e)):

Cost - Capitalised finance leases	成本－已撥充資本的 融資租賃
Accumulated depreciation	累計折舊
Net book amount	賬面淨值

- (b) As at 31 March 2018, plant and equipment amounting to HK\$116,969,000 (2017: HK\$123,233,000) were secured for the Group's bank borrowings (note 22(f)(ii)).

13 機械及設備 (續)

- (a) 根據融資租賃責任持有的機械及設備的賬面淨值包括(附註22(e)):

2018 HK\$'000 千港元	2017 HK\$'000 千港元
89,706	130,964
(5,997)	(7,164)
83,709	123,800

- (b) 於2018年3月31日，金額為116,969,000港元(2017年：123,233,000港元)的機械及設備用作本集團銀行借款的抵押(附註22(f)(ii))。

14 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Opening amount	年初金額
Addition	添置
Fair value gain	公平值收益
Closing amount	年末金額

Available-for-sale financial assets are unlisted equity securities in Hong Kong.

14 可供出售金融資產

2018 HK\$'000 千港元	2017 HK\$'000 千港元
19,750	—
—	19,750
770	—
20,520	19,750

可供出售金融資產為於香港之非上市股本證券。

Notes to the Consolidated Financial Statements

綜合財務報表附註

14 AVAILABLE-FOR-SALE FINANCIAL ASSETS

(Continued)

On 29 March 2017, the Group acquired 5% of issued capital of Gold Champion Enterprises Limited ("Gold Champion"). The acquisition is accounted for as available-for-sale financial assets (note 26(b)(iv)). Gold Champion is principally engaged in investment properties holding.

None of the financial assets is impaired.

Management considered the fair value of the unlisted securities mainly represented the fair values of its investment properties, net of its net current liabilities. These investment properties which are situated in Hong Kong are valued by an independent valuer, RHL Appraisal Limited, with reference to prices realized on actual sales and/or asking prices of comparable properties of similar size, development scale, nature, character and locations. The valuations have been made on the assumption that the owner sells the investment properties on the market in their existing state without the benefit of a cash rebate, deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which could serve to increase the value of the properties. Management considered that the net current liabilities approximated their fair values due to their short-term maturities.

The fair values of available-for-sale financial assets are within level 3 of the fair value hierarchy (see note 3.3).

14 可供出售金融資產(續)

於2017年3月29日，本集團收購金冠企業有限公司(「金冠」)已發行股本5%。收購以可供出售金融資產(附註26(b)(iv))入賬。金冠主要從事投資物業控股。

概無金融資產出現減值。

管理層認為，非上市證券之公平值主要指其投資物業之公平值(扣除其流動負債淨額)。該等投資物業位於香港，乃經考慮類似大小、發展規模、性質、特徵和位置的可比較物業的實際銷售中實現的價格及／或要價後由獨立估值師永利行評值顧問有限公司進行估值。估值乃假設擁有人以物業現況在市場上出售投資物業而無現金回贈、遞延條款合約、售後回租、合營企業、管理協議或任何其他可提升物業價值之類似安排的好處。管理層認為流動負債淨額因短期到期而接近其公平值。

可供出售金融資產之公平值屬於公平值層級之第三級(見附註3.3)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 TRADE AND RETENTION RECEIVABLES, AND DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

15 應收貿易款項及保留金，以及按金、預付款項及其他應收款項

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	應收貿易款項	70,499	105,331
Retention receivables	應收保留金	50,762	52,119
Trade and retention receivables		121,261	157,450
Deposits, prepayments and other receivables (<i>note</i>)	按金、預付款項及其他應收款項 (<i>附註</i>)	6,810	6,991
Less: non-current portion	減：非即期部分	(2,905)	(765)
Current portion	即期部分	3,905	6,226

note: The balance mainly represents rental deposit, prepayment for sub-contractor fee, prepayment for plant and equipment and other miscellaneous prepayments.

附註： 該結餘主要為租金按金、分包裝預付款項、機械及設備的預付款項以及其他雜項預付款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 TRADE AND RETENTION RECEIVABLES, AND DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

The credit period granted to trade customers other than for retention receivables was within 45 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 ageing analysis of the trade receivables based on invoice date was as follows:

1 to 30 days	1至30日
31 to 60 days	31至60日
Total	總計

In the consolidated balance sheet, retention receivables were classified as current assets. The ageing of the retention receivables based on invoice date was as follows:

Within 1 year	一年內
Between 1 and 5 years	一至五年
More than 5 years	超過五年

15 應收貿易款項及保留金，以及按金、預付款項及其他應收款項 (續)

除應收保留金外，貿易客戶獲授45天以內的信貸期。退回保留金的條款及條件因應各合約而有所不同，可能須待實際竣工、缺陷責任期或預先約定的期間屆滿後方會解除。本集團並無持有任何抵押品作為抵押。

應收貿易款項根據發票日期作出的賬齡分析如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
18,712	59,606
51,787	45,725
70,499	105,331

於綜合資產負債表內，應收保留金分類為流動資產。應收保留金根據發票日期的賬齡如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
8,617	10,058
41,623	41,221
522	840
50,762	52,119

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 TRADE AND RETENTION RECEIVABLES, AND DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

On 13 February 2017, a subsidiary of the Company has filed a civil procedure in Macau court against a customer to recover the retention receivables amounting to HK\$10,134,000. The litigation is still in progress as at 31 March 2018. Taking into consideration the advice from its legal representative, the directors consider that the Group is fully entitled to payment to cover at least the balance on the consolidated balance sheet.

As at 31 March 2018, there were no trade and retention receivables which were past due (2017: Nil).

The carrying amounts of trade and retention receivables approximated their fair values and were denominated in the following currencies:

HK\$	港元
MOP	澳門幣

As at 31 March 2018, there was no impairment in trade, retention or other receivables (2017: Nil).

15 應收貿易款項及保留金，以及按金、預付款項及其他應收款項 (續)

於2017年2月13日，本公司附屬公司針對此客戶收回10,134,000港元之應收保留金向澳門法院提出民事法律程序。於2018年3月31日，該訴訟仍在進行中。經考慮其法律代表的意見，董事認為，本集團有全權獲得至少可涵蓋綜合資產負債表上所示結餘的付款。

於2018年3月31日，並無已逾期的應收貿易款項及保留金(2017年：無)。

應收貿易款項及保留金的賬面值與其公平值相若，並以下列貨幣計值：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
96,252	125,651
25,009	31,799
121,261	157,450

於2018年3月31日，應收貿易、保留金或其他應收款項並無減值(2017年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 CONTRACTING WORK-IN-PROGRESS

16 在建合約工程

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Contract costs incurred plus attributable profits less foreseeable losses to date	截至該日所產生的合約成本加應佔溢利減可預見虧損	1,016,128	1,169,814
Progress billings to date	截至該日的進度付款	(1,113,763)	(1,233,907)
		(97,635)	(64,093)
Included in current assets/(liabilities) are the following:	計入流動資產／(負債)的金額如下：		
Due from customers for contract work	應收客戶合約工程金額	231	18,614
Due to customers for contract work	應付客戶合約工程金額	(97,866)	(82,707)
		(97,635)	(64,093)

The balance of amounts due from customers for contract work as at 31 March 2017 included HK\$9,374,000 not yet certified by a customer. On 14 November 2013, a subsidiary of the Company served a notice of arbitration to this customer to settle the dispute on the final payment of the contract.

In connection with the listing of the Company on the Main Board of The Stock Exchange of Hong Kong Limited, a deed of indemnity (the "Deed of Indemnity") was signed on 25 September 2014, pursuant to which Mr. Lau Chun Ming, irrecoverably and unconditionally undertakes to pay up the entire sum or the shortfall and other costs and expenses which may be made, suffered, or incurred in relation to the arbitration, if any, on demand by the Group if the Group fails to recover such amount of HK\$9,374,000.

於2017年3月31日之應收客戶合約工程金額結餘包括一名客戶尚未核實的9,374,000港元。於2013年11月14日，本公司附屬公司向該名客戶發出仲裁通知，藉此解決有關合約最終付款的糾紛。

於2014年9月25日，就本公司於香港聯合交易所有限公司主板上市簽訂一份彌償契據（「彌償契據」），據此，本公司董事劉振明先生不可撤回及無條件承諾，倘本集團未能收回有關款項9,374,000港元，彼將應本集團要求全額支付有關金額或差額以及就該仲裁而可能作出、蒙受或錄得之其他費用及開支（如有）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 CONTRACTING WORK-IN-PROGRESS (Continued)

On 30 November 2017, the final award of the arbitration was issued concluding this customer as the successful party to resist the claim by the Group, and the Group should also pay a portion of this customer's costs of claim. Management of the Group decided to accept the conclusion by arbitrator and the Deed of Indemnity was consequently executed to compensate the corresponding amount of HK\$9,374,000 written off from contracting work-in-progress to the costs of sales and HK\$9,502,000 costs of claim specified in the final award charged to the administrative expense. The reimbursement from the deed of indemnity is recorded in other income (note 6).

16 在建合約工程(續)

於2017年11月30日，該仲裁之最終裁決予以發出，結論為此客戶成功駁回本集團之申索，而本集團亦應支付該客戶的部分申索成本。本集團管理層決定接受仲裁員作出的結論，並據此執行彌償契據，以銷售成本補償從在建合約工程中撇銷之9,374,000港元相應金額以及在行政開支支銷最終裁決中訂明之申索成本9,502,000港元。根據彌償契據獲得之償付款項列作其他收入(附註6)。

17 CASH AND CASH EQUIVALENTS

17 現金及現金等價物

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Cash at bank	銀行現金	256,358	347,899
Cash on hand	手頭現金	43	44
Cash and cash equivalents	現金及現金等價物	256,401	347,943
Restricted bank balances	受限制銀行結餘	3,020	20,864
Maximum exposure to credit risk	所承擔的最高信貸風險	259,378	368,763

note: As at 31 March 2018, the restricted bank balance represents a deposit of HK\$3,020,000 (2017: HK\$20,864,000) placed by a director (note 21).

附註: 於2018年3月31日，受限制銀行結餘代表3,020,000港元(2017年: 20,864,000港元)由一名董事存入的按金(附註21)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 CASH AND CASH EQUIVALENTS (Continued)

The carrying amounts of cash and cash equivalents and restricted bank balances were denominated in the following currencies:

HK\$	港元
MOP	澳門幣
Others	其他

17 現金及現金等價物 (續)

現金及現金等價物以及受限制銀行結餘的賬面值以下列貨幣計值：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
258,331	352,885
815	15,418
275	504
259,421	368,807

18 SHARE CAPITAL, SHARE PREMIUM AND RESERVES

(a) Share capital

Ordinary Shares, authorised:
At 31 March 2017 and 31 March 2018

普通股 (法定) :
於2017年3月31日及
2018年3月31日

4,000,000,000 10,000,000

Ordinary shares, issued and fully paid:
At 31 March 2017 and 31 March 2018

普通股 (已發行及繳足) :
於2017年3月31日及
2018年3月31日

1,680,000,000 4,200,000

18 股本、股份溢價及儲備

(a) 股本

Number of shares 股份數目	HK\$ 港元
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Notes to the Consolidated Financial Statements

綜合財務報表附註

18 SHARE CAPITAL, SHARE PREMIUM AND RESERVES (Continued)

(b) Share premium and reserves

		Share premium	Available-for-sale financial assets reserve	Other reserves	Retained earnings	Total
		股份溢價	可供出售金融資產儲備	其他儲備	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 31 March 2016	於2016年3月31日	194,087	-	10,500	446,264	650,851
Profit for the year	本年度溢利	-	-	-	78,980	78,980
Final dividends relating to the year ended 31 March 2016	有關截至2016年3月31日止年度的末期股息	-	-	-	(29,400)	(29,400)
Interim dividend relating to the year ended 31 March 2017	有關截至2017年3月31日止年度的中期股息	-	-	-	(8,400)	(8,400)
At 31 March 2017	於2017年3月31日	194,087	-	10,500	487,444	692,031
Profit for the year	年度溢利	-	-	-	5,519	5,519
Fair value gains on available-for-sale financial assets	可供出售金融資產之公平值收益	-	770	-	-	770
Final dividends relating to the year ended 31 March 2017	有關截至2017年3月31日止年度的末期股息	-	-	-	(16,800)	(16,800)
At 31 March 2018	於2018年3月31日	194,087	770	10,500	476,163	681,520

Note:

Other reserves of the Group represented: (i) the difference between the share capital of the subsidiaries acquired over the nominal value of the share capital of the Company issued in exchange thereof, pursuant to the reorganisation completed in 2014; and (ii) the difference between the aggregation of the nominal value of the share capital of SWBP and SWEE acquired over the nominal value of the share capital of Sam Woo Group Limited ("SW (BVI)") issued in exchange thereof, pursuant to the reorganisation completed in 2003.

18 股本、股份溢價及儲備(續)

(b) 股份溢價及儲備

		Share premium	Available-for-sale financial assets reserve	Other reserves	Retained earnings	Total
		股份溢價	可供出售金融資產儲備	其他儲備	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 31 March 2016	於2016年3月31日	194,087	-	10,500	446,264	650,851
Profit for the year	本年度溢利	-	-	-	78,980	78,980
Final dividends relating to the year ended 31 March 2016	有關截至2016年3月31日止年度的末期股息	-	-	-	(29,400)	(29,400)
Interim dividend relating to the year ended 31 March 2017	有關截至2017年3月31日止年度的中期股息	-	-	-	(8,400)	(8,400)
At 31 March 2017	於2017年3月31日	194,087	-	10,500	487,444	692,031
Profit for the year	年度溢利	-	-	-	5,519	5,519
Fair value gains on available-for-sale financial assets	可供出售金融資產之公平值收益	-	770	-	-	770
Final dividends relating to the year ended 31 March 2017	有關截至2017年3月31日止年度的末期股息	-	-	-	(16,800)	(16,800)
At 31 March 2018	於2018年3月31日	194,087	770	10,500	476,163	681,520

附註：

本集團的其他儲備指：(i)根據2014年完成之重組所收購的附屬公司的股本高於為換取有關股本所發行本公司股本面值的差額；及(ii)根據於2003年完成的重組所收購的三和地基與三和機械的股本面值總和，高於為換取有關股本而發行的Sam Woo Group Limited (「三和(BVI)」)股本面值的差額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities were as follows:

Deferred income tax asset:	遞延所得稅資產：
Recoverable after more than 12 months	於12個月後收回
Deferred income tax liabilities:	遞延所得稅負債：
Payable or to be settled more than 12 months	於12個月後應付或結清
Payable or to be settled within 12 months	於12個月內應付或結清
Deferred income tax liabilities, net	遞延所得稅負債－淨額

The movement on the deferred income tax account was as follows:

At beginning of the year	於年初
Recognised in the consolidated statement of comprehensive income (note 9)	於綜合全面收益表內確認 (附註9)
At end of the year	於年終

19 遞延所得稅

遞延稅項資產及遞延稅項負債分析如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
9,208	917
(56,017)	(53,453)
(3,340)	—
(50,149)	(52,536)

遞延所得稅賬目變動如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
(52,536)	(43,651)
2,387	(8,885)
(50,149)	(52,536)

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 DEFERRED INCOME TAX (Continued)

The movements in deferred income tax liabilities and assets, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax liabilities

		Unrealised profit 未實現溢利 HK\$'000 千港元	Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2016	於2016年4月1日	1,700	80,841	82,541
Recognised in the consolidated statement of comprehensive income	於綜合全面收益表內 確認	-	11,372	11,372
Offset against deferred income tax assets	與遞延所得稅資產抵銷	(1,700)	-	(1,700)
At 31 March 2017	於2017年3月31日	-	92,213	92,213
Recognised in the consolidated statement of comprehensive income	於綜合全面收益表內 確認	-	(831)	(831)
At 31 March 2018	於2018年3月31日	-	91,382	91,382

Deferred income tax assets

		Unrealised profit 未實現溢利 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2016	於2016年4月1日	-	38,890	38,890
Recognised in the consolidated statement of comprehensive income	於綜合全面收益表內 確認	2,617	(130)	2,487
Offset against deferred income tax liabilities	與遞延所得稅負債抵銷	(1,700)	-	(1,700)
At 31 March 2017	於2017年3月31日	917	38,760	39,677
Recognised in the consolidated statement of comprehensive income	於綜合全面收益表內 確認	8,291	(6,735)	1,556
At 31 March 2018	於2018年3月31日	9,208	32,025	41,233

19 遞延所得稅 (續)

遞延所得稅負債和資產的變動(並不考慮相同稅務司法管轄權區內之結餘對銷)如下:

遞延所得稅負債

	Unrealised profit 未實現溢利 HK\$'000 千港元	Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2016	1,700	80,841	82,541
Recognised in the consolidated statement of comprehensive income	-	11,372	11,372
Offset against deferred income tax assets	(1,700)	-	(1,700)
At 31 March 2017	-	92,213	92,213
Recognised in the consolidated statement of comprehensive income	-	(831)	(831)
At 31 March 2018	-	91,382	91,382

遞延所得稅資產

	Unrealised profit 未實現溢利 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2016	-	38,890	38,890
Recognised in the consolidated statement of comprehensive income	2,617	(130)	2,487
Offset against deferred income tax liabilities	(1,700)	-	(1,700)
At 31 March 2017	917	38,760	39,677
Recognised in the consolidated statement of comprehensive income	8,291	(6,735)	1,556
At 31 March 2018	9,208	32,025	41,233

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 DEFERRED INCOME TAX (Continued)

Deferred income tax assets (Continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax jurisdiction. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet.

Deferred income tax liabilities	遞延所得稅負債
Deferred income tax assets	遞延所得稅資產

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. As at 31 March 2018, the Group had unrecognised tax losses of approximately HK\$4,997,000 (2017: HK\$5,624,000) that can be carried forward to offset against future taxable income, of which an amount of HK\$1,264,000 (2017: Nil) will expire in 2020 and an amount of HK\$3,733,000 (2017: HK\$5,624,000) has no expiry date.

19 遞延所得稅(續)

遞延所得稅資產(續)

遞延所得稅資產及負債於有可依法強制執行權利將即期所得稅資產與即期所得稅負債對銷，且遞延所得稅與同一稅務司法權區相關時予以抵銷。於綜合資產負債表中載列的金額(於作出適當對銷後釐定)如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
(59,357)	(53,453)
9,208	917
(50,149)	(52,536)

倘有相關稅務利益可透過未來應課稅溢利變現，則可就所結轉的稅項虧損確認遞延所得稅資產。於2018年3月31日，本集團的未獲確認稅項虧損約4,997,000港元(2017年：5,624,000港元)，該等金額可結轉用作抵銷未來應課稅收入，當中1,264,000港元(2017年：無)將於2020年到期而3,733,000港元(2017年：5,624,000港元)並無到期日。

Notes to the Consolidated Financial Statements

綜合財務報表附註

20 TRADE AND RETENTION PAYABLES, ACCRUALS AND OTHER PAYABLES

Trade payables	應付貿易款項
Retention payables	應付保留金
Total trade and retention payables	應付貿易款項及保留金總額
Accruals and other payables (<i>note</i>)	應計款項及其他應付款項 (<i>附註</i>)

note: The amounts mainly represent accruals and other payables for constructing work-in-progress, wages, legal and professional fees and transportation costs.

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

0 to 30 days	0至30日
31 to 60 days	31至60日
61 to 90 days	61至90日
181 to 365 days	181至365日
More than 365 days	超過365日

20 應付貿易款項及保留金、應計款項及其他應付款項

2018 HK\$'000 千港元	2017 HK\$'000 千港元
39,462	68,372
13,970	11,162
53,432	79,534
8,943	13,969
62,375	93,503

附註： 該等款項主要為就建造在建工程、工資、法律及專業費用與運輸成本的應計款項及其他應付款項。

應付貿易款項根據發票日期的賬齡分析如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
38,619	67,127
10	387
–	28
3	–
830	830
39,462	68,372

Notes to the Consolidated Financial Statements

綜合財務報表附註

20 TRADE AND RETENTION PAYABLES, ACCRUALS AND OTHER PAYABLES (Continued)

In the consolidated balance sheet, retention payables were classified as current liabilities. The ageing of the retention payables was as follows:

Within 1 year	一年內
Between 1 and 5 years	一至五年
Over 5 years	五年以上

The carrying amounts of trade and retention payables approximated their fair value and were denominated in the following currencies:

HK\$	港元
MOP	澳門幣
Others	其他

20 應付貿易款項及保留金、應計款項及其他應付款項(續)

於綜合資產負債表內，應付保留金分類為流動負債。應付保留金的賬齡如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
4,503	3,919
9,461	7,243
6	–
13,970	11,162

應付貿易款項及保留金的賬面值與彼等的公平值相若，並以下列貨幣計值：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
48,806	72,930
4,431	4,431
195	2,173
53,432	79,534

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 AMOUNT DUE TO A DIRECTOR

Pursuant to the Deed of Indemnity, Mr. Lau Chun Ming, a director of the Company, irrevocably undertakes to deposit a sum of HK\$20,000,000 into a bank account under the name of the Group for the purpose of indemnifying the Group against any claims, challenges and rejections from the Hong Kong tax authority and/or Macau tax authority and costs incurred in relation to the Group's tax liabilities arising up to October 2014.

In the event that no claim in relation to taxation is instituted by both Macau tax authority and Hong Kong taxation authority against the Group within seven years after the date on which dealings in the shares on the Main Board first commenced, i.e. 16 October 2014 ("the Listing Date"), the balance shall be released and returned to Mr. Lau Chun Ming on the seventh anniversary of the Listing Date.

In June 2017, the final and conclusive tax assessment and final tax demand note for the years 2013 and 2014 were issued by the tax authority in Macau. The Group has no outstanding amount on the required tax for the years of assessment of 2013 and 2014 in Macau; the Macau tax assessment for the years 2013 and 2014 have been concluded, final and settled. There is no tax liability so far demanded by Hong Kong tax authority in respect of the transactions and income contemplated under the Machinery Lease Agreement and the Machinery Agency Agreement.

In June 2017, the directors (including all of the independent non-executive directors) of the Company resolved to partially return HK\$17,000,000 out of the deposit of HK\$20,000,000 pursuant of Deed of Indemnity together with all the bank interests earned up to 12 July 2017 amounting to HK\$1,006,000 in view of the updated tax positions mentioned above and the estimate on maximum exposure made by the tax advisers of the Company. The remaining HK\$3,000,000 represented the estimated remaining tax exposure of the Group. The payment of HK\$18,006,000 was made to Mr. Lau Chun Ming in July 2017.

21 應付一名董事款項

根據彌償契據，本公司董事劉振明先生不可撤回承諾，就彌償本集團被香港稅務部門及／或澳門稅務部門提出的任何申索、質詢及駁回，以及本集團截至2014年10月產生的稅務負債相關的成本，向本集團名下銀行賬戶存入存款20,000,000港元。

倘於股份首次開始於主板買賣之日（即2014年10月16日（「上市日期」））後七年內，澳門稅務部門及香港稅務部門概無對本集團提出有關稅項的申索，則餘額將於上市日期第七週年當日發放及退還予劉振明先生。

於2017年6月，澳門稅務部門已發出2013年及2014年最終及決定性評稅及最終評稅通知書，本集團並無未償還的澳門2013年及2014年評稅年度所需的稅項；而澳門2013年及2014年評稅已完結、最終及獲繳付。香港稅局至今並無就機器租賃協議及機器代理協議項下交易及收入要求徵收任何稅項。

鑒於上述最近的稅務狀況及本公司稅務顧問作出的上限風險估計，於2017年6月，本公司董事（包括所有獨立非執行董事）議決歸還彌償契據項下20,000,000港元存款中的部分17,000,000港元連同該筆存款截至2017年7月12日所賺取的一切銀行存款利息1,006,000港元。餘下3,000,000港元指本集團的估計餘下稅務風險。於2017年7月已向劉振明先生支付18,006,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 AMOUNT DUE TO A DIRECTOR (Continued)

The balance of amount due to a director is secured by restricted bank balances of HK\$3,020,000 (2017: HK\$20,864,000) and interest bearing at effective interest rate of 1.38% (2017: 1.47%).

21 應付一名董事款項 (續)

應付一名董事款項之結餘由受限制銀行結餘3,020,000港元(2017年: 20,864,000港元)抵押, 並按實際利率1.38%(2017年: 1.47%)計息。

22 BORROWINGS

22 借款

Non-current
Obligations under finance leases
Long-term bank loans

非流動
融資租賃責任
長期銀行貸款

Current
Short-term bank loans
Current portion of long-term bank loans due for repayment within one year
Obligations under finance leases due for repayment within one year

流動
短期銀行貸款
於一年內到期償還的
長期銀行貸款的
即期部分
於一年內到期償還的
融資租賃責任

Total borrowings

借款總額

2018 HK\$'000 千港元	2017 HK\$'000 千港元
9,115	26,259
6,789	26,861
15,904	53,120
29,066	136,933
18,980	36,735
17,161	24,953
65,207	198,621
81,111	251,741

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 BORROWINGS (Continued)

(a) The maturity of borrowings was as follows:

(i) *Bank loans*

The maturity of bank loans are as follows:

Within 1 year	一年內
Between 1 and 2 years	一至兩年
Between 2 and 5 years	二至五年

(ii) *Obligations under finance leases*

The maturity of obligations under finance lease are as follows:

Within 1 year	一年內
Between 1 and 2 years	一至兩年
Between 2 and 5 years	二至五年

22 借款(續)

(a) 借款的到期情況如下：

(i) 銀行貸款

銀行貸款的到期情況如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
48,046	173,668
4,827	19,535
1,962	7,326
54,835	200,529

(ii) 融資租賃責任

融資租賃責任的到期情況如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
17,161	24,953
7,689	17,140
1,426	9,119
26,276	51,212

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 BORROWINGS (Continued)

(a) The maturity of borrowings was as follows:
(Continued)

(iii) The obligations under finance leases are as follows:

Gross finance leases	融資租賃總額
– minimum lease payments	– 最低租賃付款
Within 1 year	一年內
Between 1 and 2 years	一至兩年
Between 2 and 5 years	二至五年

Future finance charges on finance lease	未來的融資租賃 財務開支
--	-----------------

Present value of obligations under finance leases	融資租賃責任的現值
--	-----------

(b) The weighted average interest rates were as follows:

Short-term bank loans	短期銀行貸款
Long-term bank loans	長期銀行貸款
Obligations under finance leases	融資租賃責任

22 借款(續)

(a) 借款的到期情況如下：(續)

(iii) 融資租賃責任載列如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
17,852	26,396
7,855	17,797
1,443	9,297
27,150	53,490
(874)	(2,278)
26,276	51,212

(b) 加權平均利率如下：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
1.7%	2.4%
4.1%	3.8%
3.8%	3.7%

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 BORROWINGS (Continued)

- (c) The carrying amounts of the Group's borrowings were denominated in the following currencies:

HK\$	港元
EUR	歐元

- (d) The carrying amounts of the Group's borrowings approximated their fair value as the impact of discounting is not significant. The fair values are within level 2 of the fair value hierarchy.

- (e) As at 31 March 2018, the finance leases are secured by certain plant and equipment with carrying amounts of HK\$83,709,000 (2017: HK\$123,800,000) of certain subsidiaries and guarantees provided by the Company.

- (f) The Group's banking facilities and obligations under finance leases are subject to annual review and the utilised facilities are secured or guaranteed by:

Secured	有抵押
Unsecured	無抵押

22 借款(續)

- (c) 本集團及借款的賬面值以下列貨幣計值：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
52,045	194,808
29,066	56,933
81,111	251,741

- (d) 由於貼現影響極微，本集團的借款賬面值與其公平值相若。公平值屬於公平值層級的第二級。

- (e) 於2018年3月31日，融資租賃以若干附屬公司賬面值為83,709,000港元（2017年：123,800,000港元）的若干機械及設備作抵押及由本公司提供擔保。

- (f) 本集團的銀行信貸及融資租賃承擔每年均被進行審閱，且已動用信貸由以下各項作抵押或擔保：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
52,045	105,358
29,066	146,383
81,111	251,741

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 BORROWINGS (Continued)

- (f) The Group's banking facilities and obligations under finance leases are subject to annual review and the utilised facilities are secured or guaranteed by: (Continued)
- (i) an unlimited guarantee given by certain subsidiaries as at 31 March 2018 (2017: same); and
- (ii) certain plant and equipment of the Group as detailed in notes 13(a) and (b).

The Group did not breach any financial bank covenant during the year ended 31 March 2018 (2017: none).

22 借款(續)

- (f) 本集團的銀行信貸及融資租賃承擔每年均被進行審閱，且已動用信貸由以下各項作抵押或擔保：(續)
- (i) 於2018年3月31日，由若干附屬公司提供的無限額擔保(2017年：相同)；及
- (ii) 本集團之若干機械及設備(詳見附註13(a)及(b))。

截至2018年3月31日止年度，本集團並無違反任何金融銀行契諾(2017年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 COMMITMENTS

(a) Capital commitments

As at 31 March 2018, the Group did not have any capital commitment (2017: Nil).

(b) Operating lease commitments - as lessee

The future aggregate minimum lease rental expenses in respect of hiring equipment, office and storage premises, and quarters for workers and directors under non-cancellable operating leases are as follows:

No later than 1 year	不遲於一年
Later than 1 year and no later than 5 years	遲於一年但不遲於五年

(c) Operating lease commitments - as lessor

As at 31 March 2018, the Group did not have any operating lease commitments as a lessor (2017: Nil).

24 CONTINGENT LIABILITIES

As at 31 March 2018, the Group has given guarantees on performance bonds of HK\$17,751,000 and HK\$16,500,000, respectively, in respect of two construction contracts of the Group in its ordinary course of business (2017: same). The performance bonds are expected to be released in accordance with the terms of the respective construction contracts.

23 承擔

(a) 資本承擔

於2018年3月31日，本集團並無任何資本承擔（2017年：無）。

(b) 經營租賃承擔－作為承租人

根據不可撤銷經營租賃就租用設備、寫字樓及倉庫物業以及員工及董事宿舍的未來最低租金開支總額須於以下期間內支付：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
8,130	6,932
6,662	1,805
14,792	8,737

(c) 經營租賃承擔－作為出租人

於2018年3月31日，本集團並無以出租人身份訂有任何經營租賃承擔（2017年：無）。

24 或然負債

於2018年3月31日，本集團就有關本集團日常業務範圍內的兩項建築合約的履約保函作出擔保分別為17,751,000港元及16,500,000港元（2017年：相同）。該等履約保函預計將根據各建築合約的條款解除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

25 綜合現金流量表附註

(a) Reconciliation of profit before income tax to net cash generated from operations:

(a) 除所得稅前溢利與經營業務所得現金淨額的對賬：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	5,625	91,215
Depreciation of plant and equipment (note 13)	機械及設備折舊 (附註13)	26,971	25,268
(Gain)/loss on disposal of plant and equipment (note 6)	出售機械及設備的 (收益) / 虧損 (附註6)	(5,960)	19
Write-off of plant and equipment (note 13)	撇銷機械及設備 (附註13)	172	1,101
Finance income (note 8)	財務收入 (附註8)	(2,637)	(2,677)
Finance costs (note 8)	財務費用 (附註8)	4,478	10,330
Net exchange differences	淨滙兌差異	7,459	-
		36,108	125,256
Changes in working capital:	營運資金變動：		
Decrease in trade and retention receivables	應收貿易款項及保留金減少	36,189	138,504
Decrease/(increase) in deposits, prepayments and other receivables	按金、預付款項及其他應收款項減少 / (增加)	181	(4,411)
Decrease in amounts due from customers for contract work	應收客戶合約工程金額減少	18,383	9,948
Increase in trade and retention payables	應付貿易款項及保留金增加	(26,102)	(7,773)
Decrease in accruals and other payables	應計款項及其他應付款項減少	(5,026)	(2,329)
Increase in amounts due to customers for contract work	應付客戶合約工程金額增加	15,159	54,035
Decrease in amount due to a director	應付一名董事款項減少	(18,006)	-
Net cash generated from operations	經營活動所得現金淨額	56,886	313,230

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

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

Net book amount (note 13)	賬面淨值 (附註13)
Gain/(loss) on disposal of plant and equipment (note 6)	出售機械及設備的 收益／(虧損) (附註6)
Cash proceeds from sales of plant and equipment	出售機械及設備的現金 所得款項

- (c) Non-cash transactions

During the year ended 31 March 2018, (i) finance lease arrangement was entered into by the Group for acquisition of plant and equipment amounting to nil (2017: HK\$294,000); and (ii) plant and equipment amounting to nil (2017: nil) was acquired through exchange of certain plant and equipment.

25 綜合現金流量表附註 (續)

- (b) 於綜合現金流量表中，出售機械及設備的所得款項包括：

2018 HK\$'000 千港元	2017 HK\$'000 千港元
31,789	47
5,960	(19)
37,749	28

- (c) 非現金交易

於截至2018年3月31日止年度，(i)本集團就購買零港元(2017年：294,000港元)的機械及設備訂立融資租賃安排；及(ii)零港元(2017年：零港元)的機械及設備乃透過交換若干機械及設備而收購。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(d) Net debt reconciliation

This section sets out the reconciliation of liability from financing activity for each of the years presented.

25 綜合現金流量表附註(續)

(d) 淨債務對賬

本節載列呈列之各年度的融資活動產生之負債的對賬。

Liabilities from financing activities 融資活動產生之負債

	Cash and cash equivalents 現金及現金等價物 HK\$'000 千港元	Obligations under finance leases 融資租賃責任 HK\$'000 千港元	Liabilities from financing activities 融資活動產生之負債		Total 總計 HK\$'000 千港元	
			Short-term bank loans 短期銀行貸款 HK\$'000 千港元	Long-term bank loans 長期銀行貸款 HK\$'000 千港元		
As at 31 March 2017 Capital element of finance lease payments Drawdown of bank loans Repayment of bank loans Foreign exchange adjustments Decrease in cash and cash equivalents	於2017年3月31日 融資租賃付款的資本部分 提取銀行貸款 償還銀行貸款 外匯調整 現金及現金等價物減少	347,943 - - - - (91,542)	(51,212) 24,936 - - - -	(136,933) - (36,628) 151,954 (7,459) -	(63,596) - (559) 38,386 - - -	96,202 24,936 (37,187) 190,340 (7,459) (91,542)
As at 31 March 2018	於2018年3月31日	256,401	(26,276)	(29,066)	(25,769)	175,290

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

- (a) The directors of the Company are of the view that the following companies were related parties that had transactions or balances with the Group:

Name of the related party 關聯人士名稱	Relationship with the Group 與本集團的關係
Mr. Lau Chun Ming 劉振明先生	Director of the Company 本公司董事
Cheer Crown Limited 嘉勳有限公司	A related company beneficially wholly owned by Mr. Lau Chun Ming 由劉振明先生全資實益擁有的關聯公司
Cheer Profit International Enterprise Limited 置利國際企業有限公司	A related company wholly owned by certain directors of the Group and their family member 由本集團若干董事及其家族成員全資擁有的關聯公司
Cheer Wealth International Development Limited 富怡國際發展有限公司	A related company wholly owned by certain directors of the Group and their family member 由本集團若干董事及其家族成員全資擁有的關聯公司
East Ascent Enterprise Limited 東升企業有限公司	A related company wholly owned by certain directors of the Group and their family member 由本集團若干董事及其家族成員全資擁有的關聯公司
Healthy World Investment Limited 健匯投資有限公司	A related company wholly owned by certain directors of the Group 由本集團若干董事全資擁有的關聯公司
Long Ascent Development Limited 長升發展有限公司	A related company wholly owned by certain directors of the Group 由本集團若干董事全資擁有的關聯公司
Sky Ease Holdings Limited Sky Ease Holdings Limited	A related company wholly owned by Mr. Lau Chun Ming 由劉振明先生全資擁有的關聯公司

26 關聯人士交易

關聯人士指有能力控制、共同控制被投資方或可對其他可對被投資方行使權力的人士行使重大影響力的人士；須承擔或享有自其參與被投資方的可變回報的風險或權利的人士；可利用其對被投資方的權力影響投資者回報金額的人士。受共同控制或聯合控制的人士亦被視為關聯人士。關聯人士可為個人或其他實體。

- (a) 本公司董事認為，下列公司為曾與本集團進行交易或彼此間有結餘的關聯人士：

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 RELATED PARTY TRANSACTIONS (Continued)

26 關聯人士交易 (續)

(b) Transactions

(b) 交易

In addition to those disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties at terms mutually agreed by both parties:

除於綜合財務報表其他部分所披露者外，本集團與關聯人士按雙方協定的條款進行以下交易：

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
<i>Continuing transactions</i>		
Paid to related parties:		
Rental expenses to Cheer Crown Limited (<i>note i</i>)	2,160	2,160
Rental expenses to East Ascent Enterprise Limited (<i>note ii</i>)	46	46
Rental expenses to Cheer Profit International Enterprise Limited (<i>note ii</i>)	46	46
Rental expenses to Long Ascent Development Limited (<i>note ii</i>)	600	600
Rental expenses to Cheer Wealth International Development Limited (<i>note ii</i>)	876	876
Rental expenses to Healthy World Investment Limited (<i>note ii</i>)	600	600
Expense payable to a related party:		
Interest expense payable to a director (<i>note iii</i>)	163	305
<i>Non-recurring transaction</i>		
Paid to a related party:		
Acquisition of available-for-sale financial assets from Sky Ease Holdings Limited (<i>note iv</i>)	-	19,750

Note i: Rental expenses for storage of machinery and equipment are based on terms pursuant to the tenancy agreements as mutually agreed by the relevant parties.

附註 i: 用作存放機械及設備的租金開支乃基於有關各方共同協定的租約的條款。

Note ii: Rental expenses for directors' quarters are based on terms pursuant to the tenancy agreements as mutually agreed by the relevant parties.

附註 ii: 用作董事宿舍的租金開支乃基於有關各方共同協定的租約的條款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions (Continued)

Note iii: Interest expense was payable to a director, Mr. Lau Chun Ming, in respect of the amount due to a director (note 26(d)).

Note iv: On 29 March 2017, the Group has entered into an agreement with Sky Ease Holdings Limited, a company wholly owned by Mr. Lau, for the acquisition of 5% of issued capital of Gold Champion at a cash consideration of HK\$19,750,000. The acquisition is accounted for as available-for-sale financial assets (note 14).

(c) Key management compensation

Key management includes directors (executive and non-executive) of the Group. The compensation paid or payable to key management for employee services is disclosed in note 29(a).

(d) Balance - non-trade

Payable to a director:
Mr. Lau Chun Ming (note 21)

應付一名董事款項：
劉振明先生 (附註21)

附註iii: 利息開支乃就應付一名董事款項而應付董事劉振明先生(附註26(d))。

附註iv: 於2017年3月29日，本集團與Sky Ease Holdings Limited(劉先生全資擁有之公司)訂立協議，按現金代價19,750,000港元收購金冠已發行股本5%。收購以可供出售金融資產(附註14)入賬。

(c) 主要管理人員報酬

主要管理人員包括本集團董事(執行及非執行)。就僱員服務已付或應付予主要管理人員的報酬於附註29(a)披露。

(d) 結餘—非貿易

2018 HK\$'000 千港元	2017 HK\$'000 千港元
3,020	20,864

27 ULTIMATE HOLDING COMPANY

Management consider that Silver Bright Holdings Limited, a company incorporated in the British Virgin Islands, is the ultimate holding company of the Group, which is a company indirectly owned by a discretionary trust, the beneficiary of which is Ms. Leung Lai So.

27 最終控股公司

管理層認為Silver Bright Holdings Limited(一間於英屬處女群島註冊成立的公司)為本集團的最終控股公司，該公司由以梁麗蘇女士為受益人的全權信託間接擁有。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

28 本公司的資產負債表及儲備變動

		Note 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Assets	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資		5,927	5,927
Current assets	流動資產			
Prepayments	預付款項		68	67
Amount due from subsidiaries	應收附屬公司款項		104,151	77,462
Income tax receivable	應收所得稅		-	5
Restricted bank balances	受限制銀行結餘		3,020	20,864
Cash and cash equivalents	現金及現金等價物		94,198	123,342
			201,437	221,740
Total assets	資產總值		207,364	227,667
Equity	權益			
Capital and reserves	資本及儲備			
Share capital	股本		4,200	4,200
Reserves	儲備	(a)	200,065	202,414
Total equity	權益總額		204,265	206,614
Liabilities	負債			
Current liabilities	流動負債			
Amount due to a director	應付一名董事款項		3,020	20,864
Accruals and other payables	應計款項及其他應付款項		79	189
Total liabilities	負債總額		3,099	21,053
Total equity and liabilities	權益及負債總額		207,364	227,667

The balance sheet of the Company was approved by the Board of Directors on 26 June 2018 and were signed on its behalf.

本公司的資產負債表已於2018年6月26日獲董事會批准，並由下列人士代表簽署。

Lau Chun Ming

劉振明

Director

董事

Leung Lai So

梁麗蘇

Director

董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

note (a):

Reserve movement of the Company

		Share premium 股份溢價 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2016	於2016年3月31日	194,087	5,927	8,952	208,966
Profit for the year	年度溢利	-	-	31,248	31,248
Final dividends relating to the year ended 31 March 2016	有關截至2016年3月31日止年度的末期股息	-	-	(29,400)	(29,400)
Interim dividend relating to the year ended 31 March 2017	有關截至2017年3月31日止年度的中期股息	-	-	(8,400)	(8,400)
At 31 March 2017	於2017年3月31日	194,087	5,927	2,400	202,414
At 31 March 2017	於2017年3月31日	194,087	5,927	2,400	202,414
Profit for the year	年度溢利	-	-	14,451	14,451
Final dividends relating to the year ended 31 March 2017	有關截至2017年3月31日止年度的末期股息	-	-	(16,800)	(16,800)
At 31 March 2018	於2018年3月31日	194,087	5,927	51	200,065

Other reserve of the Company represents the difference between the net asset value of SW (BVI) acquired over the nominal value of the share capital of the Company issued in exchange thereof, pursuant to the reorganisation completed in 2014.

28 本公司的資產負債表及儲備變動 (續)

附註(a)：

本公司的儲備變動

本公司的其他儲備指根據於2014年完成之重組所收購三和(BVI)的資產淨值超過本公司為換取有關資產所發行股本面值的差額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of each director of the Company which were included in the staff costs as disclosed in note 7 is set out below:

29 董事福利及權益

(a) 董事酬金

附註7所披露已計入員工成本之本公司各董事的酬金載列如下：

For the year ended 31 March 2018

截至2018年3月31日止年度

	Fees	Salaries	Discretionary bonus	Directors' quarters	Employer's contribution to pension scheme	Total
	袍金	薪金	酌情花紅	董事宿舍	僱主向退休金計劃作出的供款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Executive directors 執行董事						
Mr. Lau Chun Ming [#] 劉振明先生 [#]	-	797	66	643	-	1,506
Mr. Lau Chun Kwok* 劉振國先生*	-	840	70	600	-	1,510
Mr. Lau Chun Ka 劉振家先生	-	840	70	600	18	1,528
Ms. Leung Lai So 梁麗蘇女士	-	456	38	324	-	818
Independent non-executive directors 獨立非執行董事						
Professor Wong Sue Cheun, Roderick 王世全教授	240	-	-	-	-	240
Mr. Chu Tak Sum 朱德森先生	240	-	-	-	-	240
Mr. Ip Tin Chee, Arnold 葉天賜先生	240	-	-	-	-	240
	720	2,933	244	2,167	18	6,082

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

		For the year ended 31 March 2017 截至2017年3月31日止年度					
		Fees	Salaries	Discretionary bonus	Directors' quarters	Employer's contribution to pension scheme	Total
		袍金	薪金	酌情花紅	董事宿舍	僱主向退休金計劃作出的供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事						
Mr. Lau Chun Ming#	劉振明先生#	-	797	66	643	-	1,506
Mr. Lau Chun Kwok*	劉振國先生*	-	840	70	600	11	1,521
Mr. Lau Chun Ka	劉振家先生	-	840	70	600	18	1,528
Ms. Leung Lai So	梁麗蘇女士	-	456	38	324	-	818
Independent non-executive directors	獨立非執行董事						
Professor Wong Sue Cheun, Roderick	王世全教授	240	-	-	-	-	240
Mr. Chu Tak Sum	朱德森先生	240	-	-	-	-	240
Mr. Ip Tin Chee, Arnold	葉天賜先生	240	-	-	-	-	240
		720	2,933	244	2,167	29	6,093

Chairman

* Chief Executive Officer

主席

* 行政總裁

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(a) Directors' emoluments (Continued)

The remuneration shown above represents remuneration received from the Group by these directors in their capacity as employees to the Group and/or in their capacity as directors of the companies now comprising the Group.

During the year ended 31 March 2018, none of the directors of the Company (i) received or paid any remuneration in respect of accepting office; (ii) received or paid emoluments in respect of services in connection with the management of the affairs of the Company or its subsidiaries undertaking; or (iii) waived or has agreed to waive any emolument (2017: Same).

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year ended 31st March 2018 (2017: Same).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year ended 31st March 2018 (2017: Same).

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

During the year ended 31st March 2018, no consideration was paid by the company to third parties for making available directors' services (2017: Same).

29 董事福利及權益 (續)

(a) 董事酬金 (續)

上述酬金指該等董事作為本集團僱員及／或現時本集團旗下各公司的董事向本集團收取的酬金。

於截至2018年3月31日止年度內，概無本公司董事(i)就接受職位收取或支付任何酬金；(ii)就有關管理本公司或其附屬公司所承擔事務的服務收取或支付任何酬金；或(iii)放棄或同意放棄任何酬金(2017年：相同)。

(b) 董事之退休福利

截至2018年3月31日止年度概無董事已收取或將收取任何退休福利(2017年：相同)。

(c) 董事之離職福利

截至2018年3月31日止年度概無董事已收取或將收取任何離職福利(2017年：相同)。

(d) 就獲取董事服務而向第三方支付之代價

截至2018年3月31日止年度，本公司並無就獲取董事服務而向任何第三方支付代價(2017年：相同)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

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

During the year ended 31st March 2018, there were no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and controlled entities with such directors (2017: Same).

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

Other than those disclosed in note 26 to the consolidated financial statements, 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 year (2017: Same).

29 董事福利及權益 (續)

- (e) 關於向董事、受控制的法人團體及有關連實體作出的貸款及類似貸款，以及惠及該等人士的其他交易的資料

截至2018年3月31日止年度，並無向董事、受控制的法人團體及有關連實體作出的貸款及類似貸款，以及惠及該等人士的其他交易 (2017年：相同)。

- (f) 董事於交易、安排或合約的重大權益

除綜合財務報表附註26所披露者外，於年末或年內任何時間，概無本公司作為一方訂立且本公司董事直接或間接擁有重大權益且與本公司業務有關的重大交易、安排及合約存續 (2017年：相同)。

Five Year Financial Summary

五年財務概要

A summary of the published results and of the assets, liabilities and equity of the Group for the last five financial years is as follows.

本集團於最近五個財政年度的已刊發業績及資產、負債以及權益概述如下。

		Year ended 31 March 截至3月31日止年度				
		2018 HK\$'000 千港元	2017 HK\$'000 千港元	2016 HK\$'000 千港元	2015 HK\$'000 千港元	2014 HK\$'000 千港元
Results	業績					
Revenue	收入	518,479	817,682	1,061,482	851,285	492,734
Gross Profit	毛利	44,045	145,225	210,012	306,245	165,634
Profit before income tax	除所得稅前溢利	5,625	91,215	165,509	241,010	129,895
Income tax expense	所得稅開支	(106)	(12,235)	(12,632)	(21,842)	(2,809)
Profit for the year	年度溢利	5,519	78,980	152,877	219,168	127,086
		As at 31 March 於3月31日				
		2018 HK\$'000 千港元	2017 HK\$'000 千港元	2016 HK\$'000 千港元	2015 HK\$'000 千港元	2014 HK\$'000 千港元
Assets	資產					
Non-current assets	非流動資產	608,385	654,959	608,314	513,389	403,802
Current assets	流動資產	385,418	551,115	546,640	472,831	223,670
Total assets	資產總值	993,803	1,206,074	1,154,954	986,220	627,472
Liabilities	負債					
Non-current liabilities	非流動負債	78,281	127,437	185,214	184,453	69,652
Current liabilities	流動負債	229,802	382,406	314,689	273,987	339,101
Total liabilities	負債總額	308,083	509,843	499,903	458,440	408,753
Total equity	權益總額	685,720	696,231	655,051	527,780	218,719

Note:

The summary of the consolidated results of the Group for the year ended 31 March 2014 and of the assets, equity and liabilities as at 31 March 2014 have been extracted from the Prospectus.

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

附註：

本集團於截至2014年3月31日止年度的綜合業績以及於2014年3月31日的資產、權益及負債概要乃摘錄自招股章程。

上述概要並不構成經審核財務報表的一部分。

